

Washington, Wednesday, August 17, 1960

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Rules and Regulations

Title 10—ATOMIC ENERGY

Chapter I—Atomic Energy
Commission

PART 30—LICENSING OF BY PRODUCT MATERIAL

Exempt Concentrations

On October 31, 1958, the Commission issued for public comment a proposed amendment to "Licensing of Byproduct Material," 10 CFR Part 30, which would exempt byproduct material from licensing requirements when contained in products in specified low concentrations. The amendment published below retains the substantive provisions set forth in the proposed rule although changes have been made in the text and concentration values to reflect recent information from the National Committee on Radiation Protection and is consonant with the Radiation Protection Guide approved by the President on May 13, 1960.

The exemption is intended to facilitate the distribution of products subjected to control procedures involving the use of byproduct material. With the exception of the person who introduces the byproduct material into a product, a license will not be required in order to receive, use, transfer, or dispose of such products. The licensee who introduces byproduct material into a product may transfer the byproduct material only if the transfer is made in accordance with a license issued pursuant to § 30.24(h) of the amendment. This limitation, however, would not restrict the transfer to a duly licensed person of byproduct material intended for analytical or laboratory purposes or for waste disposal.

The license-exempt concentrations in § 30.73 Schedule C, of the following amendment are equal to the lowest value for each byproduct material given in Table I of National Bureau of Standards Handbook 69 for continuous occupational exposure (168-hour week). The values selected are those for soluble forms which in general are lower than for insoluble forms. The products in which license-exempt concentrations would be permitted are items such as oil, gasoline, plastics, and similar commercial or industrial items where inhalation or ingestion is unlikely. In addition, while the concentration values in NBS 69 are based on continuous exposure for a whole lifetime, such exposure from the products involved here is highly unlikely. It is highly improbable, therefore, that any member of the public will receive an organ dose in excess of a small fraction of 0.5 rem. the Radiation Protection Guide for members of the general population recommended by the President in his memorandum dated May 13, 1960. The proposed exempt concentrations are high enough to make quality control applications feasible from the measurement standpoint and low enough to assure safety of the public.

The values set forth in the following amendment are established as concentrations which the Commission considers may be exempted from licensing requirements to the extent provided in this amendment. However, applicants for licenses pursuant to § 30.24(h) of the amendment will be required to show that, for their particular purpose, lower concentrations than those specified in § 30.73 are not feasible. The Commission does not propose to license the distribution of products containing byproduct material under this amendment if it is likely that such products will be ingested or inhaled.

Persons licensed under this amendment to distribute products containing byproduct material would be required to file an annual report describing the products transferred and the total amount of each byproduct material in such products transferred during the year. This will keep the Commission informed of the total amount of activity transferred in such concentrations and provide a basis for a continuing evaluation of the addition of radioactivity to the environment.

The scheduled concentrations pertain to the parent activity in those cases where a radioisotope disintegrates into other radioactive isotopes or daughter products. The proposed exemption does not extend to imports of byproduct material. Requirements for the issuance of a license authorizing the transfer of products or materials containing byproduct material are separately stated in § 30.24(h) of the amendment published below.

The Commission has found that the exemption set forth in this amendment will not constitute an unreasonable risk to the common defense and security and to the health and safety of the public.

Section 274 of the Atomic Energy Act of 1954, as amended, establishes, among other things, procedures and criteria for the discontinuance of certain of the Commission's regulatory responsibilities with respect to byproduct, source, and special nuclear materials, and the assumption thereof by the states. Notwithstanding any agreement between the Commission and any state for the assumption of regulatory responsibilities previously exercised by the Commission, the Commission is authorized under subsection 274c, to require, by rule or order. "that the manufacturer, processor, or producer of any equipment, device, commodity, or other product containing source, byproduct, or special nuclear material shall not transfer possession or control of such product except pursuant to a license issued by the Commission."

Prior to executing any agreement providing for assumption of regulatory responsibilities by a state, the Commission will consider exercising the authority conferred on it by subsection 274c with respect to distribution of products covered by the following amendments.

Pursuant to the Administrative Procedure Act, Public Law 404, 79th Congress, 2d session, Title 10, Chapter I, Part 30, "Licensing of Byproduct Material," is amended as follows, effective thirty days after publication in the Federal Register:

1. Add a new § 30.9 to read as follows:

§ 30.9. Exempt concentrations.

- (a) Except as provided in § 30.32(f), any person is exempt from the requirements for a license set forth in section 81 of the Act and from the regulations in this part to the extent that such person receives, possesses, uses, transfers, owns or acquires products or materials containing byproduct material in concentrations not in excess of those listed in § 30.73.
- (b) This section shall not be deemed to authorize the import of byproduct material or products containing byproduct material.

§ 30.24 [Amendment]

- 2. Add a new § 30.24(h) to read as follows:
- (h) Licensing the transfer of products containing exempt concentrations of by-product material. (1) An application for a specific license to transfer possession or control of products or materials containing exempt concentrations of by-product material which the transferor has introduced into the product or material will be approved if the applicant:
- (i) Satisfies the general requirements specified in § 30.23;
- (ii) Submits a description of the product or material into which the byproduct material will be introduced, intended use of the byproduct material and the product into which it is introduced, method of introduction, initial concentration of the byproduct material in the product or material, control methods to assure that no more than the specified concentration is introduced into the product or material, estimated time interval between introduction and transfer of the product or material, and estimated concentration of the radioisotope in the product or material at the time of transfer by the licensee; and
- (iii) Provides reasonable assurance that the concentrations of the byproduct material at the time of transfer will not exceed the concentrations in § 30.73, that reconcentration of the byproduct material in concentrations exceeding those in § 30.73 is not likely, that the product or material is not likely to be inhaled or ingested, and that use of lower concentrations is not feasible.
- (2) Each person licensed under this paragraph shall file an annual report with the Director, Division of Licensing

and Regulation, describing the kinds and quantities of products transferred, the concentration of byproduct material contained and the quantity of byproduct material transferred during the reporting period. Each report shall be filed as of June 30 and shall be filed within 30 days thereafter.

§ 30.32 [Amendment]

3. Add a new § 30.32(f) to read as follows:

(f) Notwithstanding the provisions of §§ 30.9 and 30.32(c) of this part, no person licensed by the Commission pursuant to the regulations in this part shall transfer possession or control of any product or material containing concentrations of byproduct material not exceeding those specified in § 30.73 which he has introduced into the product or material unless the transferor has received a license from the Commission pursuant to § 30.24(h) authorizing such transfer. The provisions of this paragraph (f) shall not apply to transfers to duly licensed persons of products or materials containing byproduct material for analytical, laboratory, or waste disposal purposes. This paragraph shall not be deemed to modify any authority granted to any person in a specific license issued by the Commission prior to the effective date of this paragraph.

4. Add a new § 30.73 to read as follows:

§ 30.73 Schedule C.

	· · ·		
		Column	Column II
Element (atomic number)	Isotope	Gas con- centration uc/ml ¹	Liquid and solid concen- tration
			uc/ml *
Antimony (51)	Sb 122		3×10-4
-	8b 124 8b 125		2×10-4 1×10-3
Argon (18)	A 37 A 41	1×10-3 4×10-7	
Arsenic (33)	As 73 As 74		5×10-8 5×10-4
	As 76		2×10-4
Barium (56)	As 77 Ba 131		8×10-4 2×10-3
Beryllium (4)	Ba 140 Be 7		3×10-4 2×10-2
Bismuth (83)	Bi 206		4×10~4
Bromine (35)	Br 82 Cd 109	4×10⁻²	3×10-3
Cadmium (48)	Cd 115m		2×10~3 3×10~4
Calatana (00)	Cd 115		3×10~4
Calcium (20)	Ca 45 Ca 47		9×10-4 5×10-4
Carbon (6)	C 14	1×10−6	8×10~3
Cerium (58)	Ce 141 Ce 143		9×10~4 4×10~4
	Ce 144		1×10~4
Cesium (55)	Cs 131 Cs 134m		2×10~2 6×10~2
	Cs 134	9×10-7	9×10-1
Chlorine (17) Chromium (24)	Cl 38 Cr 51	9×10-7	4×10~3 2×10~2
Cobalt (27)	Co 57		5×10~8
	Co 58 Co 60		1×10~3 5×10~4
Copper (29)	Cu 64		3×10-
Dysprosium (66)	Dy 165 Dy 166		4×10-8
Erbium (68)	Er 169		4X10 -4 9X10 -4
Timentum (CO)	Er 171		1×10-8
Europium (63)	Eu 152 (T/2=9.2 Hrs)		6×10-4
Fluorine (9)	Eu 155 F 18	2×10⊸	2×10-3 8×10-3
Gadolinium (64)	Gd 153		2×10-8
Gallium (31)	Gd 159 Ga 72		8×10-4 4×10-4
Germanium (32)	Ge 71		2×10-2
Gold (79)	Au 196 Au 198		2×10-3 5×10-4
TI-0-1	Au 199		2×10-3
Hafnlum (72)	Hf 181	l	7×10 -4

See footnotes at end of table.

		Column I	Column II
Element (atomic number)	Isotope	Gas con- centration uc/ml ¹	Liquid and solid concen- tration uc/ml ²
Hydrogen (1) Indium (49)	H 3 In 113m	5×10-6	3×10-
Iodine (53)	In 113m In 114m In 126 I 131 I 132 I 133	3×10-9 3×10-9 8×10-8 1×10-8	3×10- 1×10- 2×10- 2×10- 6×10- 6×10- 1×10- 1×10- 4×10- 3×10- 8×10-
Iridium (77)	I 134 Ir 190 Ir 192	1×10-8 2×10-7	7×10- 1×10- 2×10- 4×10-
Iron (26)	Ir 194 Fe 55 Fe 59		8×10- 6×10-
Krypton (36)		1×10−6 3×10−6	0×10-
Lanthanum (57)	La 140 Pb 203		2×10- 4×10-
Lead (82) Lutetium (71) Manganese (25)	Lu 177 Mn 52		1×10- 3×10-
	Mn 54 Mn 56		l 1×10-
Mercury (80)	Hg 197m Hg 197 Hg 203 Mo 99 Nd 147 Nd 149		1×10- 2×10- 3×10- 2×10- 6×10- 3×10- 1×10- 1×10- 7×10- 3×10- 2×10-
Molybdenum (42)	Hg 203 Mo 99		2×10- 2×10-
Neodymium (60)	Nd 147 Nd 149		6×10- 3×10-
Nickel (28) Niobium (Colum- bium) (41), Osmium (76)	Ni 65 Nb 95 Nb 97		1×10- 1×10-
bium) (41). Osmium (76)	OS 185		9×10- 7×10-
	Os 191m Os 191		3×10- 2×10-
Palladium (46)	Os 193 Pd 103 Pd 109		6×10- 3×10- 9×10-
Phosphorus (15)	P 32		I 2×10-
Platinum (78)	Pt 191 Pt 193m Pt 197m		1×10- 1×10- 1×10-
	Pt 197		
Potassium (19) Praseodymium	K 42 Pr 142 Pr 143		3×10- 3×10-
(59). Promethlum (61)	Pr 143 Pm 147		5×10- 2×10-
Rhenium (75)	Pr 143 Pm 147 Pm 149 Re 183 Re 186 Re 188		3×10- 3×10- 5×10- 5×10- 4×10- 6×10- 9×10- 1×10-
	Re 186 Re 188		6×10-
Rhodium (45)	Rh 105		1210-
Rubidium (37) Ruthenium (44)	Rb 86 Ru 97		7×10- 4×10-
.	Ru 103 Ru 105		8×10- 1×10-
Samarium (62)	Ru 106 8m 153		1×10- 8×10-
Scandium (21)	Sc 46 Sc 47		4×10- 9×10-
Selenium (34)	Sc 48 Se 75		9×10- 3×10- 3×10-
Silicon (14) Silver (47)	Ag 105		9X10- 1X10-
Codium (11)	Ag 110m Ag 111 No 24		3×10- 4×10- 2×10-
Sodium (11) Strontium (38)	Na 24 Sr 89 Sr 01		2×10- 1×10- 7×10- 7×10- 6×10- 4×10- 1×10- 1×10- 2×10-
Spiler (16)	Sr 91 Sr 92 8 25	9×10−8	7X10-
Sulfur (16) Tantalum (73) Technetium (43)	S 35 Ta 182 Tc 96m		4×10-
Tellurium (52)	Tc 96 Te 125m		1×10- 2×10-
- (114114411 (02)::::::	Te 127m Te 127		6×10-
	Te 129m Te 131m		3×10- 6×10-
Terbium (65)	Te 132		3×10- 4×10-
Thallium (81)	Tl 200 Tl 201		4×10- 3×10-
	TI 200 TI 201 TI 202 TI 204		1X10-
Thulium (69)	Tm 171		5×10- 5×10-
Tin (50)	Sn 113 Sn 125 W 181 W 187		5×10- 5×10- 9×10- 2×10- 4×10- 7×10-
Tungten (Wolf- ram) (74). Vanadium (23)	W 181 W 187		4×10- 7×10-
Vanadium (99)	V 48	4×10-6	3×10-
Xenon (54)	Xe 131m Xe 133	4×10-6 3×10-6 1×10-6	
Xenon (54)	Xe 135		
Xenon (54) Ytterbium (70)	Xe 135 Yb 175 Y 90		1×10~ 2×10~
Xenon (54)	Y 90 Y 91m Y 91		3×10-
Xenon (54) Ytterbium (70)	Y 90 Y 91m		1×10- 2×10- 3×10- 3×10- 6×10- 3×10- 1×10- 7×10-

		Column I	Column II
Element (atomic number)	Isotope	Gas con- centration uc/ml ¹	Liquid and solid concen- tration uc/ml *
Zirconium (40) Beta and/or gamma emitting byproduct material not listed above with half-life less than 3 years.	Zr 95 Zr 97	1×10 ⁻¹⁶	6×10-4 2×10-4 1×10-6

Note 1: Many radioisotopes disintegrate into isotopes which are also radioactive. In expressing the concentrations in Schedule C, the activity stated is that of the parent isotope and takes into account the daughters. Note 2: For purposes of § 30.9 where there is involved a combination of isotopes, the limit for the combination should be derived as follows:

Determine for each isotope in the product the ratio between the concentration present in the product and the exempt concentration present in Schedule C for the specific isotope when not in combination. The sum of such ratios may not exceed "1" (i.e., unity). Example:

Concentration of Isotope A in Product+ Exempt concentration of Isotope A

> Concentration of Isotope B in Product ≤1 Exempt concentration of Isotope B

1 Values are given only for those materials normally used as gases.
2 uc/gm for solids.

Dated at Germantown, Md., this 8th day of August 1960.

For the Atomic Energy Commission.

R. E. HOLLINGSWORTH, Acting General Manager.

[F.R. Doc. 60-7613; Filed, Aug. 16, 1960; 8:45 a.m.]

Title 16—COMMERCIAL **PRACTICES**

Chapter I—Federal Trade Commission [Docket 7106 o.]

PART 13-PROHIBITED TRADE **PRACTICES**

Arnold Constable Corp.

Subpart-Invoicing products falsely: § 13.1108 Invoicing products falsely: § 13.1108-45 Fur Products Labeling Act. (Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interprets or applies sec. 5, 38 Stat. 719, as amended; sec. 8, 65 Stat. 179; 15.U.S.C. 45, 69f) [Cease and desist order, Arnold Constable Corporation, New York, N.Y., Docket 7106, June 24,

This proceeding was heard by a hearing examiner on the complaint of the Commission charging a New York City department store with violating the Fur Products Labeling Act by failing to comply with labeling, invoicing, and advertising requirements.

The false advertising charges having previously been dismissed, the Commission on June 24 issued its own findings and order to cease and desist setting aside the initial decision and holding the misbranding charges unproven.

The order to cease and desist, together with order requiring compliance therewith, is as follows:

It is ordered, That Arnold Constable Corporation, a corporation, doing business as Arnold Constable, or trading under any other name or names, and its officers, agents, representatives and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising, or offering for sale, transportation or distribution in comcerce, of any fur product, or in connection with the sale, advertising, offering for sale, transportation or distribution of any fur product which has been made in whole or in part of fur which has been shipped or received in commerce, as "commerce", "fur", and "fur products" are defined in the Fur Products Labeling Act, do forthwith cease and desist from falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices to purchasers of fur products showing all of the information required to be disclosed by each of the subsections of section 5(b) (1) of the Fur Products Labeling Act.

2. Setting forth on the invoices required information in abbreviated form.

It is further ordered, That the respondent shall, within sixty (60) days after service upon it of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with the order to cease and desist.

Issued: June 24, 1960.

By the Commission.
[SEAL] ROBE

Robert M. Parrish, Secretary.

[F.R. Doc. 60-7654; Filed, Aug. 16, 1960; 8:45 a.m.]

[Docket 7562 c.o.]

PART 13—PROHIBITED TRADE PRACTICES

Kadiak Fisheries Co. Et Al.

Subpart — Discriminating in price under sec. 2, Clayton Act—PAYMENT OR ACCEPTANCE OF COMMISSION, BROKERAGE OR OTHER COMPENSATION UNDER 2(c): § 13.817 Decreased brokerage.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interprets or applies sec. 2, 49 Stat. 1527; 15 U.S.C. 13) [Cease and desist order, Kadlak Fisheries Company et al., Seattle, Wash., Docket 7562, July 13, 1960]

In the Matter of Kadiak Fisheries Company, a Corporation, and Chignik Fisheries Company, a Corporation, and Leo T. Krielsheimer, Individually and as an Officer of Said Corporations

The complaint in this case charged Seattle packers of canned salmon and other seá food products with violating section 2(c) of the Clayton Act by such practices as giving reductions in price to certain buyers or their agents which were offset in whole or in part by reduction of either the primary or field broker's commission earned on such sales.

Accepting an agreement for a consent order, the hearing examiner made his initial decision and order to cease and

desist which became on July 13 the decision of the Commission.

The order to cease and desist is as follows:

It is ordered, That Kadiak Fisheries Company, a corporation, and its officers, Chignik Fisheries Company, a corporation and its officers, and Leo T. Kreielsheimer, named in the complaint as Leo T. Krielsheimer, individually and as an officer of said respondent corporations, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the sale of seafood products in com-merce, as "commerce" is defined in the Clayton Act, as amended, do forthwith cease and desist from: Paying, granting, or allowing, directly or indirectly, to any buyer, or to anyone acting for or in behalf of, or who is subject to the direct or indirect control of such buyer, anything of value as a commission, brokerage, or other compensation, or any allowance or discount in lieu thereof, upon or in connection with any sale of seafood products to such buyer for his own account.

By "Decision of the Commission", etc., report of compliance was required as follows:

It is ordered, That Kadiak Fisheries Company, a corporation, and Chignik Fisheries Company, a corporation, and Leo T. Kreielsheimer, named in the complaint as Leo T. Krielsheimer, individually and as an officer of said corporations, shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Issued: June 30, 1960.

By the Commission.

[SEAL] ROBERT M. PARRISH, Secretary.

[F.R. Doc. 60-7655; Filed, Aug. 16, 1960; 8:45 a.m.]

Title 7—AGRICULTURE

Chapter I—Agricultural Marketing Service (Standards, Inspections, Marketing Practices), Department of Agriculture

PART 51—FRESH FRUITS, VEGETA-BLES AND OTHER PRODUCTS (IN-SPECTION, CERTIFICATION AND STANDARDS)

Subpart—Regulations

CORRECTION

In F.R. Doc. 60-7260, on page 7307 of the issue for Thursday, August 4, 1960, the following correction has been made:

In § 51.37(a) line 22, delete "\$18.00" and substitute in lieu thereof "\$8.00".

Dated: August 12, 1960.

ROY W. LENNARTSON, Deputy Administrator, Marketing Services.

[F.R. Doc. 60-7683; Filed, Aug. 16, 1960; 8:49 a.m.]

Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

SUBCHAPTER C-DRUGS

- PART 141c—CHLORTETRACYCLINE (OR TETRACYCLINE) AND CHLOR-TETRACYCLINE (OR TETRACY-CLINE-) CONTAINING DRUGS; TESTS AND METHODS OF ASSAY
- PART 146c—CERTIFICATION OF CHLORTETRACYCLINE (OR TETRA-CYCLINE) AND CHLORTETRACY-CLINE- (OR TETRACY-CONTAINING DRUGS

Capsules Tetracycline Phosphate Complex-Amphotericin B

Under the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (sec. 507, 59 Stat. 463, as amended; sec 701, 52 Stat. 1055, as amended; 21 U.S.C. 357, 371) and delegated to the Commissioner of Food and Drugs by the Secretary (22 F.R. 1045, 23 F.R. 9500), the regulations for tests and methods of assay and certification of antibiotic and antibiotic-containing drugs (21 CFR Parts 141c, 146c) are amended as follows:

1. Part 141c is amended by adding the following new section:

§ 141c.260 Capsules tetracycline phosphate complex-amphotericin B.

- (a) Potency—(1) Tetracycline phosphate complex content. Proceed as directed in § 141c.204(a) for tetracycline phosphate complex capsules. Its potency is satisfactory if it contains the equivalent of not less than 85 percent of the number of milligrams of tetracycline hydrochloride that it is represented to contain.
- (2) Amphotericin B content. Prepare the sample for assay by placing a representative number of capsules in a blending jar with sufficient dimethyl sulfoxide to give a stock solution of convenient concentration. Blend for 2 minutes in a high-speed blender, then dilute an aliquot with sufficient dimethyl sulfoxide to give a concentration of 20 micrograms per milliliter (estimated). Further dilute this solution with 0.2M phosphate buffer, pH 10.5, to give a concentration of 1.0 microgram per milliliter. Proceed as directed in § 141c.257 (c). Its content of amphotericin B is satisfactory if it contains not less than 85 percent of the number of milligrams that it is represented to contain.
- (b) Moisture. Proceed as directed in § 141a.5(a) or § 141a.26(e) of this chapter.

§ 146c.257 [Amendment]

- 2. In § 146c.257 Tetracycline-amphotericin B for oral syrup x x, paragraph (a) is amended by changing the words "10 percent" in the seventh sentence to read "15 percent".
- 3. Part 146c is amended by adding the following new section:

§ 146c.260 Capsules tetracycline phosphate complex-amphotericin B.

Tetracycline phosphate complex-amphotericin B capsules are capsules that conform to all the requirements and procedures prescribed by § 146c.204 for tetracycline phosphate complex capsules, except that:

(a) Each capsule contains not less than 25 milligrams of amphotericin B. The amphotericin B used conforms to the requirements prescribed for amphotericin B by § 146c.257(a).

(b) Its moisture content is not more than 6.3 percent.

(c) In addition to the labeling prescribed for tetracycline phosphate complex capsules, each package shall bear on its label or labeling the number of milligrams of amphotericin B in each capsule of the batch. The expiration date of the drug shall be 12 months, except that the date that is 18 months after the month during which the batch was certified may be used if the person who requests certification has submitted to the Commissioner results of tests and assays showing that such drug as prepared by him is stable for such period of time.

(d) In addition to complying with the requirements of § 146c.204(d), a person who requests certification of a batch shall submit with his request a statement showing the batch mark and (unless they were previously submitted) the results and date of the latest tests and assays of the amphotericin B used in making the batch for potency, toxicity, pH, moisture, identity, and amphotericin A content. He shall also submit in connection with his request (unless it was previously submitted) a sample consisting of 10 packages, each containing approximately equal portions of not less than 300 milligrams of the amphotericin B used in making the batch.

(e) The fees for the services rendered with respect to the samples submitted in accordance with the requirements of paragraph (d) of this section shall

(1) \$1.00 for each capsule.

(2) \$4.00 for each immediate container of the amphotericin B used in making the batch.

Notice and public procedure are not necessary prerequisites to the promulgation of this order, and I so find, since it was drawn in collaboration with interested members of the affected industry and since it would be against public interest to delay providing for tests and methods of assay and certification of this new antibiotic drug.

Effective date. This order shall become effective upon publication in the FEDERAL REGISTER, since both the public and the affected industry will benefit by the earliest effective date, and I so find.

(Sec. 701, 52 Stat. 1055, as amended; 21 U.S.C. 371. Interpret or apply sec. 507, 59 Stat. 463, as amended; 21 U.S.C. 357)

Dated: August 10, 1960.

[SEAL] GEO. P. LARRICK, Commissioner of Food and Drugs.

[F.R. Doc. 60-7674; Filed, Aug. 16, 1960; 8:48 a.m.]

PART 146—GENERAL REGULATIONS FOR THE CERTIFICATION OF ANTI-BIOTIC AND ANTIBIOTIC-CON-TAINING DRUGS

Animal Feed Containing Antibiotic Drugs

Under the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (sec. 507, 59 Stat. 463, as amended; sec. 701, 52 Stat. 1055, as amended; 21 U.S.C. 357, 371) and delegated to the Commissioner of Food and Drugs by the Secretary (23 F.R. 9500; 25 F.R. 5611), the general regulations for the certification of antibiotic and antibiotic-containing drugs (21 C.F.R. 146.26) are amended as follows:

In § 146.26 Animal feed containing penicillin * * *, paragraph (b) (7) is amended by designating the present text of subparagraph (7) as (7) (i) and adding the following new subdivisions thereto:

(ii) It is also intended for use in the prevention and control of coccidiosis in chickens caused by E. tenella and E. necatrix; its labeling bears adequate directions and warnings for such use (including the directions and warnings required by subdivision (i) of this subparagraph), and it contains, per ton of feed, 200 grams of chlortetracycline and 0.8 percent of dietary calcium.

(iii) It is also intended for use in the treatment of coccidiosis in chickens caused by E. tenella and E. necatrix; its labeling bears adequate directions and warnings for such use (including the directions and warnings required by subdivision (i) of this subparagraph); and it contains, per ton of feed, 200 grams of chlortetracycline and 0.4 percent to 0.55 percent of dietary calcium.

Notice and public procedure are not necessary prerequisites to the promulgation of this order, and I so find, since it relaxes existing requirements and since it would be contrary to public interest to delay providing for the amendment incorporated in this order.

I further find that animal feed containing antibiotic drugs and conforming with the conditions prescribed in this order need not comply with the requirements of sections 502(l) and 507 of the Federal Food, Drug, and Cosmetic Act in order to insure their safety and efficacy.

Effective date. This order shall become effective on the date of its publication in the Federal Register, since both the public and the affected industry will benefit by the earliest effective date, and I so find.

(Sec. 701, 52 Stat. 1055, as amended; 21 U.S.C. 371. Interprets or applies secs. 502, 507, 52 Stat. 1050, 59 Stat. 463, as amended; 21 U.S.C. 352, 357)

Dated: August 10, 1960.

[SEAL] GEO. P. LARRICK. Commissioner of Food and Drugs.

[F.R. Doc. 60-7673; Filed, Aug. 16, 1960; 8:48 a.m.]

Title 43—PUBLIC LANDS: INTERIOR

Chapter I-Bureau of Land Management, Department of the Interior

APPENDIX-PUBLIC LAND ORDERS

[Public Land Order 2178]

[51263]

LOUISIANA

Transferring Jurisdiction of the Oil and Gas Deposits in Certain Lands Owned by the United States; Amending Public Land Order Nos. 701, 884, and 1807

Whereas the hereinafter-described lands, title to which has been acquired by the United States, comprising a portion of the Barksdale Air Force Base East Reservation, are reported to be subject to drainage of their oil and gas deposits by wells on adjacent lands in private ownership; and

Whereas it is necessary in the public interest that such protective action be taken as will prevent loss to the United States by reason of the drainage or threatened drainage from the said lands; and

Whereas in order to facilitate such action, it is considered advisable that jurisdiction over the oil and gas deposits in such lands be transferred from the Department of the Air Force to the Department of the Interior; and

Whereas such transfer has the concurrence of the Secretary of the Air Force: Now, therefore, by virtue of the au-

thority vested in the President and pursuant to Executive Order No. 10355 of May 26, 1952, it is ordered as follows:

1. The jurisdiction over the oil and gas deposits in the following-described lands is hereby transferred from the Department of the Air Force to the Department of the Interior:

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T. 17 N., R. 12 W.

Secs. 1, 2, 3, 4 and 9; Sec. 10, N1/2 and SW1/4.

T. 18 N., R. 12 W.

Sec. 22, S1/2 (that part lying south of the south right-of-way line of the Illinois Central Railway Company);

Sec. 25, S1/2;

Sec. 26, S1/2;

Sec. 27: Sec. 28, E1/2;

Sec. 33, E1/3

Secs. 34, 35 and 36.

The areas described aggregate approximately 7,840 acres.

- 2. The Secretary of the Interior shall take such action as may be necessary to protect the United States from loss on account of drainage or threatened drainage of oil and gas from such land.
- 3. The jurisdiction of the Department of the Interior over such lands shall be subject to the primary jurisdiction of the Department of the Air Force over the lands for Air Force purposes.
- 4. Prior to advertisement for bids the Department of the Air Force shall have the opportunity to indicate the further reservations and restrictions that are to

be included in the proposed lease or leases.

5. Prior to execution of any lease or development authorized by the Department of the Interior, the approval of the Department of the Air Force shall be obtained to assure that there is no interference with the primary use of Barksdale Air Force Base.

6. Public Land Orders No. 701 of February 21, 1951, No. 884 of February 5. 1953, and No. 1807 of February 27, 1959, are hereby amended to delete paragraphs No. 4 of each order, prohibiting surface use of the following-described lands:

PUBLIC LAND ORDER No. 701

T. 17 N., R. 11 W., Sec. 6, W½W½; Sec. 7, W½NW¼. T. 18 N., R. 11 W., Sec. 31, W1/2. T. 17 N., R. 12 W. Sec. 10, NE'4SE'4, NE'4SE'4SE'4, W'/2 SE¼SE¼ and W½SE¼; Sec. 11, N½ and NW¼SW¼; Sec. 12, N1/2.

PUBLIC LAND ORDER No. 884

T. 18 N., R. 12 W. Sec. 30, SW 1/4 NW 1/4 and W 1/2 SW 1/4. T.·18 N., R. 12 W. Sec. 25, S1/2 N1/2 Sec. 26, S1/2 NE1/4.

PUBLIC LAND ORDER NO. 1807

T. 18 N., R. 12 W., Sec. 26, NW 1/4.

FRED A. SEATON, Secretary of the Interior.

August 10, 1960.

[F.R. Doc. 60-7658; Filed, Aug. 16, 1960; 8:45 a.m.]

Title 50—WILDLIFE

Chapter III-International Regulatory Agencies (Fishing and Whaling) SUBCHAPTER B-INTERNATIONAL WHALING COMMISSION

PART 351—WHALING

Section 13 of the Whaling Convention Act of 1950 (64 Stat. 425; 16 U.S.C. 916k), the legislation implementing the International Convention for the Regulation of Whaling signed at Washington, December 2, 1946, by the United States of America and certain other Governments, provides that regulations of the International Whaling Commission shall be submitted for publication in the FEDERAL REGISTER by the Secretary of the Interior. Regulations of the Commission are defined to mean the whaling regulations in the schedule annexed to and constituting a part of the Convention in their original form or as modified, revised, or amended by the Commission. The provisions of the whaling regulations, as originally embodied in the schedule annexed to the Convention, have been amended several times by the International Whaling Commission, the last amendments having been made in October 1959, and January 1960. The whaling regulations, as last amended on October 5, 1959, and January 3, 1960, have been edited to conform in numbering, internal references, and similar items to regulations of the Administrative Committee of the Federal Register but no changes have been made in the substantive provisions. The provisions of these regulations are applicable to nationals and whaling enterprises of the United States.

Amendments to the whaling regulations are adopted by the International Whaling Commission pursuant to Article V of the Convention without regard to . the notice and public procedure requirements of the Administrative Procedure Act (5 U.S.C. 1001). Accordingly, in fulfillment of the duty imposed upon the Secretary of the Interior by section 13 of the Whaling Convention Act of 1949, the whaling regulations published as Part 351, Title 50, Code of Federal Regulations, as the same appeared in 23 F.R. 3063, May 8, 1958, and as amended in 24 F.R. 5645, July 14, 1959, are amended and republished to read as hereinafter set forth.

Sec. Inspection.

351.2 Killing of gray or right whales prohibited.

Killing of calves or suckling whales prohibited. 351.3

351.4 Operation of factory ships limited. Closed area for factory ships in 351.5

Antarctic. 351.6 Limitations on the taking of hump-

back whales. 351.7 Closed seasons for pelagic whaling

for baleen and sperm whales. 351.8 Catch quota for baleen whales.

351.9 Minimum size limits.

351.10 Closed seasons for land stations.

Use of factory ships in waters other than south of 40° South Latitude. 351.11

351.12 Limitations on processing of whales. Prompt processing required. 351.13

351.14 Remuneration of employees.

351.15 Submission of laws and regulations. 351.16 Submission of statistical data.

351.17 Factory ship operations within territorial waters.

351.18 Definitions.

AUTHORITY: §§ 351.1 to 351.18 issued under article V, 62 Stat. 1718. Interpret or apply secs. 2-14, 64 Stat. 421-425; 16 U.S.C., 916 et seq.

§ 351.1 Inspection.

(a) There shall be maintained on each factory ship at least two inspectors of whaling for the purpose of maintaining twenty-four hour inspection. These inspectors shall be appointed and paid by the Government having jurisdiction over the factory ship: Provided, That inspectors need not be appointed to ships which, apart from the storage of products, are used during the season solely for freezing or salting the meat and entrails of whales intended for human food or for the feeding of animals.

(b) Adequate inspection shall maintained at each land station. The inspectors serving at each land station shall be appointed and paid by the Government having jurisdiction over the land station.

§ 351.2 Killing of gray or right whales prohibited.

It is forbidden to take or kill gray whales or right whales, except when the meat and products of such whales are to be used exclusively for local consumption by the aborigines.

§ 351.3 Killing of calves or suckling whales prohibited.

It is forbidden to take or kill calves or suckling whales or female whales which are accompanied by calves or suckling whales.

§ 351.4 Operation of factory ships limited.

(a) It is forbidden to kill blue whales in the North Atlantic Ocean for five years ending on 24 February 1965.1

(a) It is forbidden to use a whale catcher attached to a factory ship for the purpose of killing or attempting to kill baleen whales in any of the following areas:

(1) In the waters north of 66° North Latitude except that from 150° East Longitude eastwards as far as 140° West Longitude the taking or killing of baleen whales by a factory ship or whale catcher shall be permitted between 66° North Latitude and 72° North Latitude;

(2) In the Atlantic Ocean and its dependent waters north of 40° South

Latitude;

(3) In the Pacific Ocean and its dependent waters east of 150° West Longitude between 40° South Latitude and 35° North Latitude:

(4) In the Pacific Ocean and its dependent waters west of 150° West Longitude between 40° South Latitude and 20° North Latitude;

(5) In the Indian Ocean and its dependent waters north of 40° South Latitude.

§ 351.5 Closed area for factory ships in Antarctic.

It is forbidden to use a whale catcher attached to a factory ship for the purpose of killing or attempting to kill baleen whales in the waters south of 40° South Latitude from 70° West Longitude westward as far as 160° West Longitude. (This article, as the result of the seventh meeting at Moscow, was rendered inoperative for a period of three years from 8 November 1955, and as a result of the ninth meeting in London was rendered inoperative for a further period from 8 November 1958, and again as a result of the eleventh meeting in London was rendered inoperative for a period of three years from 8 November 1959.

§ 351.6 Limitations on the taking of humpback whales.

(a) It is forbidden to kill or attempt to kill humpback whales in the North Atlantic Ocean for a period ending on 8 November 1964.

(2) It is forbidden to kill or attempt to kill humpback whales in the waters south of 40° South Latitude between 0° Longitude and 60° West Longitude for a period ending on 8 November 1964.

(3) It is forbidden to use a whale catcher attached to a factory ship for the purpose of killing or attempting to

¹This paragraph was objected to within the prescribed period ending October 4, 1959 by the Government of Iceland. The objection was not withdrawn and the paragraph came into force on January 3, 1960 but is not binding on Iceland.

kill humpback whales in any waters south of 40° South Latitude except for four days commencing on 20th January in any year.

§ 351.7 Closed seasons for pelagic whaling for baleen and sperm whales.

- (a) It is forbidden to use a whale catcher attached to a factory ship for the purpose of killing or attempting to kill baleen whales (excluding minke whales) in any waters south of 40° South Latitude, except during the period from December 28, to April 7, following, both days inclusive; and no such whale catcher shall be used for the purpose of killing or attempting to kill blue whales before the 1st February in any year.
- (b) It is forbidden to use a whale catcher attached to a factory ship for the purpose of killing or attempting to kill sperm or minke whales, except as permitted by the Contracting Governments in accordance with paragraphs (c), (d), and (e) of this section.
- (c) Each Contracting Government shall declare for all factory ships and whale catchers attached thereto under its jurisdiction, one continuous open season not to exceed eight months out of any period of twelve months during which the taking or killing of sperm whales by whale catchers may be permitted: *Provided*, That a separate open season may be declared for each factory ship and the whale catchers attached thereto.
- (d) Each Contracting Government shall declare for all factory ships and whale catchers attached thereto under its jurisdiction one continuous open season not to exceed six months out of any period of twelve months during which the taking or killing of minke whales by the whale catchers may be permitted; *Provided*, That:
- (1) A separate open season may be declared for each factory ship and the whale catchers attached thereto:
- (2) The open season need not necessarily include the whole or any part of the period declared for other baleen whales pursuant to paragraph (a) of this section.
- (e) Each Contracting Government shall declare for all whale catchers under its jurisdiction not operating in conjunction with a factory ship or land station one continuous open season not to exceed six months out of any period of twelve months during which the taking or killing of minke whales by such whale catchers may be permitted.

§ 351.8 Catch quota for baleen whales.

- (a) The number of baleen whales taken during the open season caught in waters south of 40° South Latitude by whale catchers attached to factory ships under the jurisdiction of the Contracting Governments shall not exceed fifteen thousand blue whale units in any one season.
- (b) For the purposes of paragraph (a) of this section, blue-whale units shall be calculated on the basis that one blue whale equals:
 - (1) Two fin whales or
- (2) Two and a half humpback whales or
 - (3) Six sei whales.

- (c) Notification shall be given in accordance with the provisions of Article VII of the Convention, within two days after the end of each calendar week, of data on the number of blue whale units taken in any waters south of 40° South Latitude by all whale catchers attached to factory ships under the jurisdiction of each Contracting Government: Provided, That when the number of blue whale units is deemed by the Bureau of International Whaling Statistics to have reached 13,500, notification shall be given as aforesaid at the end of each day of data on the number of blue-whale units taken.
- (d) If it appears that the maximum catch of whales permitted by paragraph (a) of this section may be reached before April 7, of any year, the Bureau of International Whaling Statistics shall determine, on the basis of the data provided, the date on which the maximum catch of whales shall be deemed to have been reached and shall notify the master of each factory ship and each Contracting Government of that date not less than four days in advance thereof. The killing or attempting to kill baleen whales by whale catchers attached to factory ships shall be illegal in any waters south of 40° South Latitude after midnight of the date so determined.
- (e) Notification shall be given in accordance with the provisions of Article VII of the Convention of each factory ship intending to engage in whaling operations in any waters south of 40° South Latitude.

§ 351.9 Minimum size limits.

(a) It is forbidden to take or kill any blue, sei or humpback whales below the following lengths:

Blue whales 70 feet (21.3 metres), Sei whales 40 feet (12.2 metres), Humpback whales 35 feet (10.7 metres),

except that blue whales of not less than 65 feet (19.8 metres) and sei whales of not less than 35 feet (10.7 metres) in length may be taken for delivery to land stations, provided that the meat of such whales is to be used for local consumption as human or animal food.

(b) It is forbidden to take or kill any fin whales below 57 feet (17.4 metres) in length for delivery to factory ships or land stations in the Southern Hemisphere, and it is forbidden to take or kill fin whales below 55 feet (16.8 metres) for delivery to factory ships or land stations in the Northern Hemisphere; except that fin whales of not less than 55 feet (16.8 metres) may be taken for delivery to land stations in the Southern Hemisphere and fin whales of not less than 50 feet (15.2 metres) may be taken for delivery to land stations in the Northern Hemisphere provided in each case that the meat of such whales is to be used for local consumption as human or animal food.

- (c) It is forbidden to take or kill any sperm whales below 38 feet (11.6 metres) in length, except that sperm whales of not less than 35 feet (10.7 metres) in length may be taken for delivery to land stations.
- (d) Whales must be measured when at rest on deck or platform, as accurately as possible by means of a steel tape measure fitted at the zero end with a spiked handle which can be stuck into the deck planking abreast of one end of the whale. The tape measure shall be stretched in a straight line parallel with the whale's body and read abreast the other end of the whale. The ends of the whale, for measurement purposes, shall be the point of the upper jaw and the notch between the tail flukes. Measurements, after being accurately read on the tape measure, shall be logged to the nearest foot, that is to say, any whale between 75 feet 6 inches and 76 feet 6 inches shall be logged as 76 feet, and any whale between 76 feet 6 inches and 77 feet 6 inches shall be logged as 77 feet. The measurement of any whale which falls on an exact half foot shall be logged at the next half foot, e.g. 76 feet 6 inches precisely shall be logged at 77 feet.

§ 351.10 Closed seasons for land stations.

- (a) It is forbidden to use a whale catcher attached to a land station for the purpose of killing or attempting to kill baleen and sperm whales except as permitted by the Contracting Government in accordance with paragraphs (b), (c), and (d) of this section.
- (b) Each Contracting Government shall declare for all land stations under its jurisdiction, and whale catchers attached to such land stations, one open season during which the taking or killing of baleen (excluding minke) whales by the whale catchers shall be permitted. Such open season shall be for a period of not more than six consecutive months in any period of twelve months and shall apply to all land stations under the jurisdiction of the Contracting Government: Provided, That a separate open season may be declared for any land station used for the taking or treating of baleen (excluding minke) whales which is more than 1,000 miles from the nearest land station used for the taking or treating of baleen (excluding minke) whales under the jurisdiction of the same Contracting Government.
- (c) Each Contracting Government shall declare for all land stations under its jurisdiction and for whale catchers attached to such land stations, one open season not to exceed eight continuous months in any one period of twelve months, during which the taking or killing of sperm whales by the whale catchers shall be permitted, such period of eight months to include the whole of the period of six months declared for baleen whales (excluding minke whales) as provided for in paragraph (b) of this section: Provided, That a separate open season may be declared for any land station used for the taking or treating of sperm whales which is more than 1,000 miles from the nearest land station used for the taking or treating of sperm

^{*}Section 351.8, paragraph (e), in earlier copies was deleted by the Commission at its fourth meeting in 1952 and the deletion became effective on September 12, 1952, Original paragraph (f) consequently becomes paragraph (e).

whales under the jurisdiction of the same Contracting Government.*

(d) (1) Each Contracting Government shall declare for all land stations under its jurisdiction and for whale catchers attached to such land stations one open season not to exceed six continuous months in any period of twelve months during which the taking or killing of minke whales by the whale catchers shall be permitted (such period not being necessarily concurrent with the period declared for other baleen whales, as provided for in paragraph (b) of this section: Provided, That a separate open season may be declared for any land station used for the taking or treating of minke whales which is more than 1,000 miles from the nearest land station used for the taking or treating of minke whales under the jurisdiction of the same Contracting Government.

(2) Except that a separate open season may be declared for any land station used for the taking or treating of minke whales which is located in an area having oceanographic conditions clearly distinguishable from those of the area in which are located the other land stations used for the taking or treating of minke whales under the jurisdiction of the same Contracting Government; but the declaration of a separate open season by virtue of the provisions of this paragraph shall not cause thereby the period of time covering the open seasons declared by the same Contracting Government to exceed nine continuous months of any twelve months.

(e) The prohibitions contained in this

section shall apply to all land stations as defined in Article II of the Whaling Convention of 1946 and to all factory ships which are subject to the regulations governing the operation of land stations under the provisions of § 351.17.

§ 351.11 Use of factory ships in waters other than south of 40° South Lati-

It is forbidden to use a factory ship which has been used during a season in any waters south of 40° South Latitude for the purpose of treating baleen whales, in any other area for the same purpose within a period of one year from the termination of that season; provided that this paragraph shall not apply to a ship which has been used during the season solely for freezing or salting the meat and entrails of whales intended for human food or feeding animals.

§ 351.12 Limitations of processing of whales.

(a) It is forbidden to use a factory ship or a land station for the purpose of treating any whales (whether or not killed by whale catchers under the jurisdiction of a Contracting Government) the killing of which by whale catchers under the jurisdiction of a Contracting Government is prohibited by the provi-

sions of § 351.2, 351.4, 351.5, 351.6, 351.7, 351.8, or 351.10.

(b) All other whales (except minke whales) taken shall be delivered to the factory ship or land station and all parts of such whales shall be processed by boiling or otherwise, except the internal organs, whale bone and flippers of all whales, the meat of sperm whales and of parts of whales intended for human food or feeding animals.

(c) Complete treatment of the carcases of "Dauhval" and of whales used as fenders will not be required in cases where the meat or bone of such whales is in bad condition.

§ 351.13 Prompt processing required.

- (a) The taking of whales for delivery to a factory ship shall be so regulated or restricted by the master or person in charge of the factory ship that no whale carcass (except of a whale used as a fender, which shall be processed as soon as it is reasonably practicable) shall remain in the sea for a longer period than thirty-three hours from the time of killing to the time when it is hauled up for treatment.
- (b) Whales taken by all whale catchers, whether for factory ships or land stations, shall be clearly marked so as to identify the catcher and to indicate the order of catching.
- (c) All whale catchers operating in conjunction with a factory ship shall report by radio to the factory ship:
- (1) The time when each whale is taken,
 - (2) Its species, and
- (3) Its marking effected pursuant to paragraph (b) of this section.
- (d) The information reported by radio pursuant to paragraph (c) of this section shall be entered immediately in a permanent record which shall be available at all times for examination by the whaling inspectors; and in addition there shall be entered in such permanent record the following information as soon as it becomes available:
- (1) Time of hauling up for treatment, (2) Length, measured pursuant to paragraph (d) of § 351.9,
 - (3) Sex,
- (4) If female, whether milk-filled or lactating.
- (5) Length and sex of foetus, if present, and
- (6) A full explanation of each infraction.
- (e) A record similar to that described in paragraph (d) of this section shall be maintained by land stations, and all of the information mentioned in the said paragraph shall be entered therein as soon as available.

§ 351.14 Remuneration of employees.

Gunners and crews of factory ships, land stations, and whale catchers, shall be engaged on such terms that their remuneration shall depend to a considerable extent upon such factors as the species, size and yield of whales taken and not merely upon the number of the whales taken. No bonus or other remuneration shall be paid to the gunners or crews of whale catchers in respect to the taking of milk-filled or lactating whales.

§ 351.15 Submission of laws and regu-

Copies of all official laws and regulations relating to whales and whaling and changes in such laws and regulations shall be transmitted to the Commission.

§ 351.16 Submission of statistical data.

Notification shall be given in accordance with the provisions of Article VII of the Convention with regard to all factory ships and land stations of statistical information (a) cencerning the number of whales of each species taken, the number thereof lost, and the number treated at each factory ship or land station, and (b) as to the aggregate amounts of oil of each grade and quantities of meal, fertilizer (guano), and other products derived from them, together with (c) particulars with respect to each whale treated in the factory ship or land station as to the date and approximate latitude and longitude of taking, the species and sex of the whale, its length and, if it contains a foetus, the length and sex, if ascertainable, of the foetus. The data referred to in paragraphs (a) and (c) of this section shall be verified at the time of the tally and there shall also be notification to the Commission of any information which may be collected or obtained concerning the calving grounds and migration routes of whales. In communicating this information, there shall be specified:

(1) The name and gross tonnage of each factory ship;

(2) The number of whale catchers, including separate totals for surface vessels and aircraft and specifying, in the case of surface vessels, the average length and horsepower of whale catchers:

(3) A list of the land stations which were in operation during the period concerned.

§ 351.17 Factory ship operations within territorial waters.

(a) A factory ship which operates solely within territorial waters in one of

Section 351.17 (a), (b), and (c) (1) to (3) was inserted by the Commission at its first meeting in 1949, and came into force on 11 January 1950, as regards all Contracting Governments except France, who therefore remain bound by the provisions of the

original § 351.17, which read as follows: § 351.17. Notwithstanding the definition of land station contained in Article II of the Convention, a factory ship operating under the jurisdiction of a Contracting Government, and the movements of which are confined solely to the territorial waters of that Government, shall be subject to the regulations governing the operation of land sta-

tions within the following areas: (a) On the coast of Madagascar and its

dependencies, and on the west coasts of French Africa; (b) on the west coast of Australia in the area known as Shark Bay and northward to Northwest Cape and including Exmouth Gulf and King George's Sound, including the Port of Albany; and on the east coast of Australia, in Twofold Bay and Jervis Bay.

Section 351.17(c)(4) was inserted by the Commission at its eleventh meeting in 1959 and came into force on October 5, 1959 as regards all Contracting Governments.

³ Section 351.10, paragraph (c), came into force as from February 21, 1952 in respect to all Contracting Governments, except the Commonwealth of Australia, who lodged an objection to it within the prescribed period, and this objection was not withdrawn. provisions of this paragraph are not, therefore, binding on the Commonwealth of Australia.

the areas specified in paragraph (c) of this section, by permission of the Government having jurisdiction over those waters, and which flies the flag of that Government shall, while so operating, be subject to the regulations governing the operation of land stations and not to the regulations governing the operation of factory ships.

- (b) Such factory ship shall not, within a period of one year from the termination of the season in which she so operated, be used for the purpose of treating baleen whales in any of the other areas specified in paragraph (c) of this section or south of 40° South Lati-
- (c) The areas referred to in paragraphs (a) and (b) of this section are:
- (1) On the coast of Madagascar and its dependencies;
- (2) On the west coasts of French Africa;
- (3) On the coasts of Australia, namely on the whole east coast and on the west coast in the area known as Shark Bay and northward to Northwest Cape and including Exmouth Gulf and King George's Sound, including the Port of Albany.
- (4) On the Pacific coast of the United States of America between 35° North Latitude and 49° North Latitude.

§ 351.18 Definitions.

(a) The following expressions have the meanings respectively assigned to them, that is to say:

"Baleen whale" means any whale which has baleen or whale bone in the mouth, i.e., any whale other than a toothed whale.

"Blue whale" (Balaenoptera or Sibbaldus musculus) means any whale known by the name of blue whale, Sibbald's rorqual, or sulphur bottom.

"Dauhval" means any unclaimed dead whale found floating.

"Fin whale" (Balaenoptera physalus) means any whale known by the name of common finback, common rorqual, finback, finner, fin whale, herring whale, razorback, or true fin whale.

"Gray whale" (Rhachianectes glaucus) means any whale known by the name of gray whale, California gray, devil fish, hard head, mussel digger, gray back or rip sack.

"Humpback whale" (Megaptera nodosa or novaeangliae) means any whale known by the name of bunch, humpback, humpback whale, humpbacked whale, hump whale or hunchbacked whale.

"Minke whale" (Balaenoptera acutorostrata, B. Davidsoni, B. huttoni) means any whale known by the name of lesser rorqual, little piked whale, minke whale, pike-headed whale or sharp-headed finner.

"Right whale" (Balaena mysticetus: Eubalaena glacialis, E. australis, etc.; Neobalaena marginata) means any whale known by the name of Atlantic right whale, Arctic right whale, Biscayan right whale, bowhead, great polar whale, Greenland right whale, Greenland whale, Nordkaper, North Atlantic right whale, North Cape whale, Pacific right whale, pigmy right whale, Southern pigmy right whale, or Southern right whale.

"Sei whale" (Balaenoptera borealis) means any whale known by the name of sei whale, Ruldophi's rorqual, pollack whale or coalfish whale and shall be taken to include Bryde's whale (B. brydei).

"Sperm whale" (Physeter catodon) means any whale known by the name of sperm whale, spermacet whale, cachalot or pot whale.

"Toothed whale" means any whale which has teeth in the jaws.

(b) "Whales taken"

AUGUST 12, 1960.

means whales that have been killed and either flagged or made fast to catchers.

> ELMER F. BENNETT. Acting Secretary of the Interior.

[F.R. Doc. 60-7666; Filed, Aug. 16, 1960; 8:46 a.m.]

Proposed Rule Making

DEPARTMENT OF THE TREASURY

Internal Revenue Service [26 CFR (1954) Part 48]

RETAILERS EXCISE TAX ON DIESEL FUEL AND SPECIAL MOTOR FUEL

Notice of Proposed Rule Making

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury or his delegate. Prior to the final adoption of such regulations, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing, in duplicate, to the Commissioner of Internal Revenue, Attention: T:P, Washington 25, D.C., within the period of 30 days from the date of publication of this notice in the Federal Register. Any person submitting written comments or suggestions who desires an opportunity to comment orally at a public hearing on these proposed regulations should submit his request, in writing, to the Commissioner within the 30-day period. In such a case, a public hearing will be held and notice of the time, place, and date will be published in a subsequent issue of the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

DANA LATHAM, Commissioner of Internal Revenue.

The Manufacturers and Retailers Excise Tax Regulations (25 CFR Part 48) set forth below are hereby prescribed under subchapter E of chapter 31 of the Internal Revenue Code of 1954, as amended, and in effect on and after January 1, 1959, relating to the retailers excise tax on the sale or use of diesel fuel and special motor fuel.

Subpart F—Special Fuels		
Sec.	•	
48.4041	Statutory provisions; imposition of tax.	
48.4041~1	Tax on diesel fuel and special motor fuel.	
48.4041-2	Application of tax on sale of diesel fuel.	
48.4041-3	Application of tax on sale of special motor fuel.	
48.4041-4	Sales of diesel and special motor fuel; rules of general appli- cation.	
48.4041-5	Application of tax on use of taxable liquid.	
48.4041-6	Dual use of taxable liquid.	
48.4041-7	Definitions.	
48.4041~8	Exemption for farm use.	
48.4041-9	Exemption for use as supplies	

for vessels or aircraft.

Sec. 48.4041-10 Other exemptions. 48.4041-11 Other credits or refunds.

RETAILERS EXCISE TAX

. § 48.4041 Statutory provisions; imposition of tax.

SEC. 4041. Imposition of tax-(a) Diesel There is hereby imposed a tax of 3 cents a gallon upon any liquid (other than any product taxable under section 4081)-

(1) Sold by any person to an owner, lessee, or other operator of a diesel-powered highway vehicle, for use as a fuel in such vehicle; or

(2) Used by any person as a fuel in a

diesel-powered highway vehicle unless there was a taxable sale of such liquid under paragraph (1).

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In the case of a liquid taxable under this subsection sold for use or used as a fuel in a diesel-powered highway vehicle (A) which (at the time of such sale or use) is not registered, and is not required to be registered, for highway use under the laws of any State or foreign country, or (B) which, in the case of a diesel-powered highway vehicle owned by the United States, is not used on the highway, the tax imposed by paragraph (1) or by paragraph (2) shall be 2 cents a gallon. If a liquid on which tax was imposed by paragraph (1) at the rate of 2 cents a gallon by reason of the preceding sentence is used as a fuel in a diesel-powered highway vehicle (A) which (at the time of such use) is registered, or is required to be registered, for highway use under the laws of any State or foreign country, or (B) which, in the case of a diesel-powered highway vehicle owned by the United States, is used on the highway, a tax of 1 cent a gallon shall be imposed under paragraph (2).

(b) Special motor fuels. There is hereby imposed a tax of 3 cents a gallon upon benzol, benzene, naphtha, liquefied petroleum gas, or any other liquid (other than kerosene, gas oil, or fuel oil, or any product taxable under section 4081 or subsection (a) of this

(1) Sold by any person to an owner, lessee, or other operator of a motor vehicle, motorboat, or airplane for use as a fuel for the propulsion of such motor vehicle, motorboat, or airplane; or

(2) Used by any person as a fuel for the propulsion of a motor vehicle, motorboat, or airplane unless there was a taxable sale of such liquid under paragraph (1).

In the case of a liquid taxable under this subsection sold for use or used otherwise than as a fuel for the propulsion of a high-way vehicle (A) which (at the time of such sale or use) is registered, or is required to be registered, for highway use under the laws of any State or foreign country, or (B) which, in the case of a highway vehicle owned by the United States, is used on the highway. the tax imposed by paragraph (1) or by paragraph (2) shall be 2 cents a gallon. If a liquid on which tax was imposed by paragraph (1) at the rate of 2 cents a gallon by reason of the preceding sentence is used as a fuel for the propulsion of a highway vehicle (A) which (at the time of such use) is registered, or is required to be registered, for highway use under the laws of any State or foreign country, or (B) which, in the case of a highway vehicle owned by the United States, is used on the highway, a tax of 1

graph (2).

(c) Rate reduction. On and after July 1, 1972—

(1) The taxes imposed by this section shall be 1½ cents a gallon; and
(2) The second and third sentences of

subsections (a) and (b) shall not apply.

(d) Exemption for farm use—(1) Exemp-

Under regulations prescribed by the Secretary or his delegate-

(A) No tax shall be imposed under subsection (a)(1) or (b)(1) on the sale of any liquid sold for use on a farm for farming purposes, and

(B) No tax shall be imposed under subsection (a)(2) or (b)(2) on the use of any liquid used on a farm for farming purposes.

(2) Use on a farm for farming purposes. For purposes of paragraph (1) of this subsection, use on a farm for farming purposes shall be determined in accordance with paragraphs (1), (2), and (3) of section 6420(c).

(e) Exemption for use as supplies for vessels. Under regulations prescribed by the Secretary or his delegate, no tax shall be imposed under subsection (b) in the case of any fuel sold for use or used as supplies for vessels or aircraft (within the meaning of sec-

tion 4221(d)(3)).
(f) Temporary increases in tax. On and after October 1, 1959, and before July 1,

(1) If (without regard to this subsection) the tax imposed by subsection (a) or (b) is 3 cents a gallon, the tax imposed by such subsection shall be 4 cents a gallon, and
(2) If (without regard to this subsection)

the tax imposed under paragraph (2) of subsection (a) or (b) is 1 cent a gallon, the tax imposed under such paragraph shall be 2 cents a gallon.

[Sec. 4041 as amended and in effect Jan. 1. 1959, and as amended by sec. 201(b), Federal-Aid Highway Act 1959 (73 Stat. 613)]

§ 48.4041-1 Tax on diesel fuel and special motor fuel.

Section 4041, in general, imposes an excise tax at the retail level on the sale of diesel fuel for use as a fuel in a dieselpowered highway vehicle and on the sale of special motor fuel for use as a fuel for the propulsion of a motor vehicle, motorboat, or airplane. A tax is also imposed when such liquids are purchased tax free and subsequently used for one of the above-mentioned purposes, or when such liquids are purchased at one rate of tax and a higher rate of tax applies as a result of the type of use made of the liquids.

§ 48.4041-2 Application of tax on sale of diesel fuel.

(a) In general. The tax imposed by paragraph (1) of section 4041(a) applies to the sale of diesel fuel by any person to an owner, lessee, or other operator of a diesel-powered highway vehicle for use as a fuel in such vehicle. The tax applies on diesel fuel sold for use in a dieselpowered highway vehicle, whether the vehicle actually is employed in highway or off-highway use.

(b) Liability for tax. The tax on the sale of diesel fuel is payable by the person who sells such fuel to the owner. lessee, or other operator of a dieselpowered highway vehicle.

- (c) Rate of tax. Tax is imposed on the sale of diesel fuel at the rate applicable on the date on which the diesel fuel is sold.
- (1) Registered highway vehicles. Following are the rates applicable to the sale on or after January 1, 1959, of diesel fuel for use as a fuel in a diesel-powered highway vehicle which at the time of the sale is registered or required to be registered for highway use or in a diesel-powered highway vehicles owned by the United States which is used on the highway:

(2) Nonregistered highway vehicles. Following are the rates applicable to the sale on and after January 1, 1959, of diesel fuel for use in a diesel-powered highway vehicle which at the time of the sale is not registered and is not required to be registered for highway use (including a diesel-powered highway vehicle owned by the United States which is not used on the highway):

Diesel fuel sold per gallon
(i) January 1, 1959 to June 30, 1972,
inclusive ______ 2
(ii) On and after July 1, 1972_____ 1½

Cents

- (3) Tax rate to be applied. The test of taxability at a rate specified in subparagraph (1) of this paragraph (other than in the case of United States-owned vehicles) is whether the vehicle in which the fuel is to be used is registered, or required to be registered, for highway use under the laws of any State or foreign country at the time of sale. Tax at a rate specified in subparagraph (1) of this paragraph applies to all fuel sold for use in a diesel-powered highway vehicle which is registered, or required to be registered, for highway use under the laws of any State or foreign country even though the vehicle is seldom or never used on the highway and regardless of the proportion of the fuel used off the highway as compared to total fuel consumption.
- (d) Example. Application of the tax to the sale of diesel fuel may be illustrated by the following example: The M Corporation is engaged in the construction of a power dam at a site removed from all public highways. Part of its construction equipment consists of diesel-powered shovels, bulldozers, and highway type dump trucks. Some of the trucks are registered for highway use and are used both on and off the public roads. Others are not registered and under the applicable State law are not required to be registered for highway use inasmuch as they are used entirely on the construction site. The diesel fuel sold for use in the registered dump trucks is all subject to tax at the rate specified in paragraph (c) (1) of this section, even though a portion of it is used off the public highway. The fuel sold

for use in the nonregistered trucks, which are operated entirely off the highway, is taxable at the rate specified in paragraph (c) (2) of this section. No tax is payable with respect to the diesel fuel sold for use in the power shovels and bulldozers, since they are not vehicles which may be operated in general use over a public highway.

(e) Cross references. (1) See § 48.-4041-5 for the tax applicable in certain cases based on the use of diesel fuel as a fuel in a diesel-powered highway vehicle.

(2) See paragraphs (a), (b), (e), and (h) of § 48.4041-7 for definition of the terms "highway", "highway vehicle", "diesel fuel", and "registered".

(3) For exemption from tax with respect to diesel fuel sold for use on a farm for farming purposes, see § 48.4041-8.

§ 48.4041-3 Application of tax on sale of special motor fuel.

- (a) In general. The tax imposed by paragraph (1) of section 4041(b) applies to the sale of special motor fuel by any person to an owner, lessee, or other operator of a motor vehicle, motorboat, or airplane, for use as a fuel for the propulsion of such motor vehicle, motorboat, or airplane.
- (b) Liability for tax. The tax on the sale of special motor fuel is payable by the person who sells such fuel to the owner, lessee, or other operator of a motor vehicle, motorboat, or airplane.
- (c) Rate of tax. Tax is imposed on the sale of special motor fuel at the rate applicable on the date on which the special motor fuel is sold.
- (1) Registered highway vehicles. Following are the rates applicable to the sale on or after January 1, 1959, of special motor fuel for use as a fuel for the propulsion of a motor vehicle which at the time of the sale is registered or required to be registered for highway use or in a motor vehicle owned by the United States which is used on the highway:

(2) Motorboats, airplanes, and non-registered motor vehicles. Following are the rates applicable to the sale on and after January 1, 1959, of special motor fuel for use as a fuel for the propulsion of a motorboat or airplane, or of a motor vehicle which at the time of the sale is not registered and is not required to be registered for highway use (including a motor vehicle owned by the United States which is not used on the highway):

(3) Tax rate to be applied. In the case of the sale of special motor fuel for use as a fuel for the propulsion of a motor

vehicle the test of taxability at a rate specified in subparagraph (1) of this paragraph (other than in the case of United States-owned vehicles) is whether the vehicle in which the fuel is to be used is registered, or required to be registered. for highway use under the laws of any State or foreign country at the time of sale. Tax at a rate specified in subparagraph (1) of this paragraph applies to special motor fuel sold for use in a motor vehicle which is registered, or required to be registered, for highway use under the laws of any State or foreign country even though the vehicle is seldom or never used on the highway and regardless of the proportion of the fuel used off the highway as compared to total fuel consumption. Tax at a rate specified in subparagraph (2) of this paragraph applies in any case of the sale of special motor fuel for use in the propulsion of a motorboat or airplane or a motor vehicle which is not registered and is not required to be registered for highway use under the laws of any State or foreign country.

(d) Example. Application of the tax to the sale of special motor fuels may be illustrated by the following example: The N Company is engaged in the manufacture of ceramic products. It has a vehicle which is used to haul clay from the clay pit to its factory. This vehicle has not been registered for highway use and under the applicable State law is not required to be registered for highway use inasmuch as none of the hauling of clay is done on public highways. The N Company also uses a ditch digging machine in the vicinity of the clay pit for the construction of drains. A fork lift truck is used to move cartons of merchandise from place to place inside the company's warehouse and to assist in the loading of merchandise onto the company's highway trucks for delivery to purchasers. The highway trucks are registered by the State for use on highways. Special motor fuel is used for the operation of all of these items of equipment. The special motor fuel sold for use as a fuel for the propulsion of the registered highway trucks is subject to tax at the rate specified in paragraph (c) (1) of this section. The special motor fuel sold for use as a fuel for the propulsion of the truck used to haul clay from the pit to the factory and for the propulsion of the fork lift truck is subject to tax at the rate specified in paragraph (c) (2) of this section. No tax is payable with respect to the special motor fuel sold for use as a fuel in the ditch digging machine since that machine is not a motor vehicle.

(e) Cross references. (1) See § 48.-4041-5 for the tax applicable in certain cases based on the use of special motor fuel as a fuel for the propulsion of a motor vehicle.

- (2) See paragraphs (a), (c), (f), and (h) of § 48.4041-7 for definition of the terms "highway", "motor vehicle", "special motor fuel", and "registered".
- (3) For exemption from tax with respect to special motor fuel sold for use on a farm for farming purposes or as supplies for vessels or aircraft, see §§ 48.4041-8 and 48.401-9, respectively.

Cents

§ 48.4041-4 Sales of diesel and special motor fuel; rules of general applica-

(a) Taxability of liquid delivered into purchasers' tanks. The sale of diesel fuel to an owner, lessee, or other operator of a diesel-powered highway vehicle, or of special motor fuel to an owner, lessee, or other operator of a motor vehicle, motorboat, or airplane shall be considered a taxable sale of such liquid (1) if the liquid is delivered by the seller into the fuel supply tank of the vehicle, motorboat, or airplane, or (2) where not so delivered, the purchaser indicates in writing to the seller prior to or at the time of the sale that the entire quantity of the liquid covered by the sale is for use by him for a taxable purpose as a fuel in such a vehicle, motorboat, or airplane. If such a written statement is not furnished by the purchaser, he shall be liable for the tax at the applicable rate on that quantity of the liquid which is used by him as fuel in such a vehicle, motorboat, or airplane (see § 48.4041-5) or which is sold by him in a taxable transaction.

(b) Sales for resale and to consignees. (1) A sale to a dealer for resale is not subject to tax even though it is known at the time of the sale that the liquid will be resold by such dealer for use as a fuel in a diesel-powered highway vehicle, or in a motor vehicle, motorboat.

or airplane.

(2) The tax is payable by the person who makes the taxable sale. Where a taxable liquid is consigned to a person for sale and the consignor retains ownership in such liquid until it is disposed of by the consignee, the consignor is the person liable for the tax when a taxable sale of the liquid is made by the consignee. In the event the consignor does not retain ownership in the taxable liquid, the consignee is the person liable for the tax upon the taxable sale of such liquid. See paragraph (d) of § 48.4041-7 for definition of the term "taxable liquid".

§ 48.4041-5 Application of tax on use of taxable liquid.

(a) In general—(1) Diesel fuel. If a person acquires any diesel fuel by any means other than through a transaction subject to tax under section 4041(a) (1) and uses it for any of the uses described in paragraph (c) (1) or (2) of § 48.4041-2, he shall be liable for a tax under section 4041(a) (2) on the quantity of diesel fuel so used at the appropriate rate set forth in paragraph (b) of this section. If a person acquires any diesel fuel through a transaction which is subject to tax at the rate set forth in paragraph (c) (2) of § 48.4041-2 and uses it for a use described in paragraph (c) (1) of § 48.4041-2, he shall be liable for an additional tax under section 4041(a) (2) on the quantity of diesel fuel so used. See paragraph (b) (1) of this section for the applicable rate of tax.

(2) Special motor fuel. If a person acquires any special motor fuel by any means other than through a transaction subject to tax under section 4041(b) (1) and uses it for any of the uses described in paragraph (c) (1) or (2) of § 48.40413, he shall be liable for a tax under section 4041(b)(2) on the quantity of special motor fuel so used at the appropriate rate set forth in paragraph (b) of this section. If a person acquires any special motor fuel through a transaction which is subject to a tax at the rate set forth in paragraph (c) (2) of § 48.4041-3 and uses it for a use described in paragraph (c) (1) of § 48.4041-3, he shall be liable for an additional tax under section 4041(b)(2) on the quantity of special motor fuel so used. See paragraph (b) (1) of this section for the applicable rate of tax.

(b) Rate of tax. Tax is imposed on the use of taxable liquid at the rate applicable on the date on which the tax-

able liquid is used.

(1) Registered highway vehicles. Following are the rates applicable to the use on and after January 1, 1959, of taxable liquid as a fuel in a diesel-powered highway vehicle, or for the propulsion of a motor vehicle (i) which at the time of such use is registered or required to be registered for highway use, or (ii) in the case of such a vehicle owned by the United States which is used on the highway:

Taxable liquid used per gallon (a) January 1, 1959 to September 30, 1959, inclusive, and no tax was imposed with respect to the sale of such liquid ...

(b) January 1, 1959 to September 30, 1959, inclusive, and tax at the rate of 2 cents per gallon was imposed with respect to the sale of such liquid ____

- October 1, 1959, to June 30, 1961, inclusive, and no tax was imposed with respect to the sale of such liquid ...
- (d) October 1, 1959 to June 30, 1961, inclusive, and tax at the rate of 2 cents per gallon was imposed with respect to the sale of such liquid _
- (e) July 1, 1961 to June 30, 1972, inclusive (and no tax was imposed with respect to the sale of such
- liquid _____ (f) July 1, 1961 to June 30, 1972, inclusive, and tax at the rate of 2 cents per gallon was imposed with respect to the sale of such
- liquid ______(g) On and after July 1, 1972, and no tax was imposed with respect to the sale of such liquid.....
- (2) Motorboats, airplanes, and nonregistered vehicles. Following are the rates applicable to the use on or after January 1, 1959, of taxable liquid as a fuel-

(i) For the propulsion of a motorboat or airplane,

(ii) In a diesel-powered highway vehicle, or for the propulsion of a motor vehicle, which at the time of such use is not registered and is not required to be registered for highway use, or

(iii) In a diesel-powered highway vehicle, or for the propulsion of a motor vehicle, owned by the United States which is not used on the highway:

Cents Taxable liquid used per gallon (a) January 1, 1959 to June 30, 1972, inclusive, and no tax was imposed with respect to the sale of such liquid

Taxable liquid used per gallon (b) On and after July 1, 1972, and no tax was imposed with respect to the sale of such liquid

(c) Bulk purchases by users. Taxpayers who purchase taxable liquid in bulk delivered into storage tanks or other containers and use it for various purposes, both taxable and nontaxable, or in both registered and nonregistered vehicles, must maintain adequate records of all fuel used for each purpose to permit verification of the tax paid and of any credits, refunds, or exemptions claimed.

§ 48.4041-6 Dual use of taxable liquid.

Tax applies to all taxable liquid sold for use or used as a fuel in the motor which is used to propel a dieselpowered highway vehicle or in the motor used to propel a motor vehicle, motorboat, or airplane, even though the motor is also used for a purpose other than the propulsion of the vehicle. Thus, where the motor of a diesel-powered highway vehicle or of a motor vehicle, motorboat, or airplane operates special equipment by means of a power take-off, tax applies to all taxable liquid sold for such use or so used, whether or not the special equipment is mounted on the vehicle. For example, tax applies to diesel fuel sold to operate the mixing unit on a concrete mixer truck if the mixing unit is operated by means of a power take-off from the motor of the vehicle. Similarly, tax applies to all taxable liquid sold for use or used in a motor propelling a fuel oil truck even though the same motor is used to operate the pump (whether or not mounted on the truck) for discharging the fuel into customers' storage tanks. However. tax does not apply to liquid sold for use or used in a separate motor to operate special equipment (whether or not the equipment is mounted on the vehicle). If the taxable liquid used in a separate motor is drawn from the same tank as the one which supplies fuel for the propulsion of the vehicle, a reasonable determination of the quantity of taxable liquid used in such separate motor will be acceptable for purposes of application of the tax. Such determination must be based, however, on the operating experience of the person using the taxable liquid and the taxpayer must maintain records which will support the allocation used.

§ 48.4041-7 Definitions.

For purposes of the regulations in this subpart, unless otherwise expressly indicated:

(a) Highway. The term "highway" includes any road (whether a Federal highway, State highway, city street, or otherwise) in the United States which is not a private roadway.

(b) Highway vehicle. The term "highway vehicle" has reference to the type of vehicle and not to the use which is made of the vehicle. The term means any motor vehicle, whether powered by diesel fuel or special motor fuel which is of the type used for transportation on the highways. It includes automobile trucks, buses, highway tractors, trolley

buses, and other similar type vehicles. The term "highway vehicle" does not include any vehicle, which, although propelled by means of its own motor, is of a type not used for highway transportation, that is, of a type designed and manufactured for a purpose other than highway transportation. For example, vehicles such as earth movers, power shovels, trench diggers, and bulldozers, which are designed and manufactured as self-propelled units for "off-the-road" operations, are not highway vehicles. Neither are such motorized vehicles as road graders or rollers, which are designed and manufactured for construction or maintenance of roads, considered to be highway vehicles. The same is true of farm tractors, cotton pickers, and other motorized agricultural implements of a similar nature. However, the fact that equipment or machinery having a specialized use (as for example, an air compressor, crane, or specialized oil-field machinery) is mounted on a vehicle which, apart from such equipment or machinery, is of a type used for highway transportation will not remove such vehicle from classification as a highway vehicle.

- (c) Motor vehicle. The term "motor vehicle" includes all types of vehicles propelled by motor which are designed for carrying loads from one place to another, regardless of the type of load or material carried and whether or not the vehicle is registered or required to be registered for highway use, such as fork lift trucks used to carry loads at railroad stations, industrial plants, warehouses, etc. The term does not include farm tractors, trench diggers, power shovels, bulldozers, road graders or rollers, and similar equipment which does not carry a load: nor does it include any vehicle which moves exclusively on rails.
- (d) Taxable liquid. The term "taxable liquid" means any liquid which is—
- (1) Diesel fuel as defined in paragraph (e) of this section, or
- (2) Special motor fuel as defined in paragraph (f) of this section.
- (e) Diesel fuel. The term "diesel fuel" means any liquid (other than a product taxable as gasoline under the provisions of section 4081) which is sold for use or used as a fuel in a diesel-powered highway vehicle.
- (f) Special motor fuel. (1) The term "special motor fuel" includes any of the following sold for use or used as a fuel for the propulsion of a motor vehicle, motorboat, or airplane:
- (i) Liquefied petroleum gases (such as propane, butane, or pentane, or mixtures of the same), or
- (ii) Benzol, benzene, naphtha, or any other liquid, whether a refined, partly refined, or unrefined product, 10 percent of which has been recovered when the thermometer reads 347° F. (175° C.) or 95 percent of which has been recovered when the thermometer reads 464° F. (240° C.) when subjected to distillation in accordance with the "Standard Method of Test for Distillation of Gasoline, Naphtha, Kerosene, and Similar Petroleum Products" (A.S.T.M. designation: D86) of the American Society for Testing Materials, regardless of the trade name under which sold.

. (2) The term "special motor fuel" does not include diesel fuel or any product taxable under the provisions of section 4081 nor does it include "kerosene, gas oil, or fuel oil", as defined in paragraph (g) of this section.

(g) Kerosene, gas oil, or fuel oil. (1) The term "kerosene, gas oil, or fuel oil" means any product (i) 10 percent of which has not been recovered when the thermometer reads 347° F. (175° C.), and (ii) 95 percent of which has not been recovered when the thermometer reads 464° F. (240° C.), when subjected to distillation in accordance with the "Standard Method of Test for Distillation of Gasoline, Naphtha, Kerosene, and Similar Petroleum Products" (A.S.T.M. designation: D86) of the American Society for Testing Materials.

(2) Products designated as kerosene, gas oil, or fuel oil which do not fall within the specifications of both subdivisions (i) and (ii) of subparagraph (1) of this paragraph are taxable as special motor fuel if sold or used as a fuel for the propulsion of a motor vehicle, motor-boat, or airplane.

(h) Registered. The term "registered" when used with reference to a highway vehicle means—

(1) Registered for highway use under the laws of any State, District of Columbia, or foreign country, or (2) Required to be registered for

highway use under the law of the State, District of Columbia, or foreign country in which it is operated or situated. Any highway vehicle which is operated under a dealer's tag, license, or permit is considered to be registered. A highway vehicle is not considered to be registered solely by reason of the fact that there has been issued a special permit for operation of the vehicle at particular times and under specified conditions.

§ 48.4041-8 Exemption for farm use.

(a) In general. The tax imposed by section 4041 does not apply to diesel fuel or special motor fuel sold for use or used on a farm in the United States for farming purposes. The tax applies in the case of diesel fuel delivered into the fuel supply tank of a highway vehicle, or special motor fuel delivered into the fuel supply tank of a motor vehicle, motorboat, or airplane, even though it is known that the liquid is to be used on a farm for farming purposes. Credit or refund of the tax paid in such case may be claimed as provided by section 6416(b)(2)(G) and the regulations thereunder contained in Subpart O of this part upon proof that the taxable liquid was used on a farm for farming purposes. The terms "used on a farm for farming purposes", "farm", and "farming purposes", and related terms, shall have the same meaning for purposes of the exemption in section 4041 (d) and the regulations in this section as such terms are defined in paragraphs (1), (2), and (3) of section 6420(c) and the regulations contained in § 48.6420 (c)-1.

(b) Application of exemption. The exemption referred to in paragraph (a) of this section does not apply with respect to diesel fuel or special motor fuel sold for use or used for nonfarming pur-

poses, or diesel fuel or special motor fuel sold for use or used off a farm regardless of the nature of such use. If a vehicle is used both on a farm and off the farm or if it is used on a farm both for farming and nonfarming purposes, the exemption applies only with respect to that portion of the diesel fuel or special motor fuel which is sold for use or used "on a farm for farming purposes". For purposes of this exemption it is immaterial whether or not the vehicle is registered for highway use. However, the actual use of the vehicle and the place where it is used are material. For example, if a truck used on a farm for farming purposes is also used on the highways (even though in connection with operating the farm), tax applies to that portion of the diesel fuel or special motor fuel which is sold for use or used in operating the truck on the highways, since such fuel was used off the farm.

§ 48.4041-9 Exemption for use as supplies for vessels or aircraft.

(a) Application of exemption. The tax imposed by section 4041(b) does not apply to special motor fuel which is sold for use or used as supplies for vessels or aircraft within the meaning of section 4221(a)(3) and section 4221(d)(3) and the regulations thereunder contained in subpart N of this part. See section 6416 (b)(2)(B) and the regulations thereunder contained in Subpart O of this part for credit or refund of tax paid on special motor fuel which has been sold or used as supplies for vessels or aircraft.

(b) Evidence required to establish exemption. (1) In order to establish exemption from tax in the case of a sale of special motor fuel for use as supplies for vessels or aircraft, it is necessary that the seller obtain from the owner, charterer, or authorized agent of the vessel or aircraft and retain in his possession a properly executed exemption certificate in the form prescribed by paragraph (c) of this section. If special motor fuel is sold tax free for use as supplies for civil aircraft employed in foreign trade or in trade between the United States and any of its possessions, the exemption certificate must show the name of the country in which the aircraft is registered.

(2) Where only occasional sales of special motor fuel are made to a purchaser for a use which is exempt from tax as provided in this section, a separate exemption certificate shall be furnished for each order. However, where sales are regularly or frequently made to a purchaser for such exempt use, a certificate covering all orders for a specified period not to exceed 4 calendar quarters will be acceptable. Such certificates and proper records of invoices, orders, etc., relative to tax-free sales must be kept for inspection by the district director as provided in section 6001. If a seller's records with respect to any sale claimed to be tax free do not include a proper certificate, with supporting invoices and such other evidence as may be necessary to establish the exempt character of the sale, tax is payable by the seller on such sale.

(c) Acceptable form of exemption certificate. The following form of ex-

emption certificate will be acceptable for the purposes of this section and must be adhered to in substance:

EXEMPTION CERTIFICATE

(For use by purchasers of special motor fuel for use as supplies for certain vessels or aircraft (section 4041(e) of Internal Revenue Code of 1954).)

___ 19 __ (Date)

The undersigned purchaser hereby certifies that he is the_____

(Owner, charterer, or authorized agent of owner or charterer)

____ and that the

(Name of company and vessel) special motor fuel specified in the accompanying order, or as specified below or on the reverse side hereof, will be used only as fuel supplies for a vessel belonging to one of the following classes of vessels to which section of the Internal Revenue Code 4041(e) applies:

(Check class to which vessel belongs)

- Vessels engaged in foreign trade.
 Vessels engaged in trade between the
- Atlantic and Pacific ports of the United States.
- (3) Vessels engaged in trade between the United States and any of its possessions.
- (4) Vessels employed in the fisheries or whaling business.
 (5) Vessels of war of the United States
- or a foreign nation.

If the special motor fuel is purchased for use as fuel for the propulsion of civil aircraft engaged in trade as specified in (1) or (3) above, state the name of the country in which the aircraft is registered____

The undersigned understands that if the special motor fuel is sold or used otherwise than as stated above and for a taxable purpose specified in section 4041(b) of the Internal Revenue Code, he will be liable for the tax upon such sale or use. It is understood that this certificate may not be used in -purchasing special motor fuel for use as fuel for the propulsion of pleasure vessels, or of any type of aircraft except (i) civil aircraft employed in foreign trade or trade between the United States and any of its possessions, and otherwise entitled to exemption, and (ii) aircraft owned by the United States or any foreign country and constituting a part of the armed forces thereof.

The undersigned understands that the fraudulent use of this certificate to secure exemption will subject him and all guilty parties to a penalty equivalent to the amount of tax due on the sale of the special motor fuel and upon conviction to a fine of not more than \$10,000, or to imprisonment for not more than five years, or both, together with the costs of prosecution. The purchaser also understands that he must be prepared to establish by satisfactory evidence the purpose for which the special motor fuel purchased under this certificate was used.

(Signature)

(Address)

(d) Exemption certificate not obtained prior to filing of seller's excise tax return. If the exemption certificate is not obtained prior to the time the seller files a return covering taxes due for the period during which the sale was made. the seller must include the tax on such sale in his return for that period. However, if the certificate is later obtained, a claim for refund of the tax paid on such sale may be filed on Form 843, or a credit for such amount may be taken upon a subsequent return, as provided by section 6416(b)(2)(B) and the regulations thereunder contained in Subpart O of this part.

(e) Liability of purchaser. The person who purchases special motor fuel tax free as provided in this section shall be liable for the tax imposed by section 4041(b) if he sells or uses the special motor fuel as a fuel for the propulsion of a motor vehicle, motorboat, or airplane, and if such sale or use is not exempt under any provision of law.

§ 48.4041-10 Other exemptions.

For other provisions relating to taxfree sales or use of diesel fuel and special motor fuel, see-

- (a) Section 4055, relating to sales for the exclusive use of any State or any political subdivision of a State, or the District of Columbia, or relating to use by any of the foregoing;
- (b) Section 4056, relating to sales for export or for shipment to a possession of the United States; and
- (c) Section 4057, relating to sales for the exclusive use of a nonprofit educational organization, or relating to use by such organization;

and the regulations thereunder contained in Subpart G of this part.

§ 48.4041-11 Other credits or refunds.

(a) In general. For provisions relating to credit or refund of tax paid on taxable liquid resold by the purchaser, or used otherwise than as a fuel for the propulsion of a diesel-powered highway vehicle, motor vehicle, motorboat, or airplane, see section 6416(b)(2)(G)(i) and the regulations thereunder contained in Subpart O of this part.

(b) Taxable liquid used by local transit systems. For provisions relating to credit or refund in the case of taxable liquid used in vehicles while engaged in furnishing scheduled common carrier public passenger land transportation service along regular routes, see section 6416(b)(2)(H) and the regulations thereunder contained in Subpart O of this part.

[F.R. Doc. 60-7681; Filed, Aug. 16, 1960; 8:49 a.m.]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 977]

[Docket No. AO-183-A7]

MILK IN PADUCAH, KY., MARKETING AREA

Notice of Recommended Decision and Opportunity To File Written Exceptions on Proposed Amendments to Tentative Marketing Agreement and to Order

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing

orders (7 CFR Part 900), notice is hereby given of the filing with the Hearing Clerk of this recommended decision of the Deputy Administrator, Agricultural Marketing Service, United States Department of Agriculture, with respect to proposed amendments to the tentative marketing agreement, and order regulating the handling of milk in the Paducah, Kentucky, marketing area. Interested parties may file written exceptions to this decision with the Hearing Clerk, United States Department of Agriculture, Washington, D.C., not later than the close of business the 7th day after publication of this decision in the Federal Register. The exceptions should be filed in quadruplicate.

Preliminary statement. The hearing on the record of which the proposed amendments, as hereinafter set forth, to the tentative marketing agreement and to the order, were formulated, was conducted at Paducah, Kentucky, on July 12, 1960, pursuant to notice thereof which was issued June 22, 1960 (25 F.R. 5883).

The material issues of the record relate to: (1) Expansion of the marketing area, (2) Class I price, (3) provision for marketing service deduction and (4) mis-

cellaneous and conforming changes.

Findings and conclusions. The following findings and conclusions on the material issues are based on evidence presented at the hearing and the record thereof:

(1) The Paducah, Kentucky, marketing area should be expanded to include Christian County, Kentucky (except that portion within the Fort Campbell Military Reservation). Christian County is contiguous to the present Paducah marketing area and forms an integral part of the sales area of regulated handlers. The health requirements in the county. as they pertain to the distribution of Grade A milk, are similar to those in effect in the present marketing area.

Expansion of the marketing area was requested by the Paducah Graded Milk Producers' Association and by two handlers with plants in Christian County which handlers would be the only two affected by the expansion. It is expected that their plants would become fully regulated. The proponent unregulated handlers distribute milk in competition with handlers regulated by the Paducah and Ohio Valley milk orders and are partially regulated by both of such orders.

Although the primary distribution area of these unregulated handlers is Christian County, they both distribute substantial quantities of fluid milk in the present marketing area. Distribution by one of these handlers, the Model Pure Milk Company, is such that a small decrease in such handler's plant receipts or a small increase in his distribution in the present marketing area would subject him to full regulation by the Paducah order. As partially regulated handlers under the Paducah and Ohio Valley orders, and in a situation where minor changes in their marketing practices may subject them to full regulation, these two proponent handlers do not have the assurance of stabilized pricing and orderly marketing as is provided fully regulated handlers. The expansion of the marketing area to Christian County would subject their entire operation to full regulation and would provide the same stabilized prices and marketing conditions as are provided fully regulated handlers.

The expansion of the marketing area was also favored by the Paducah Graded Milk Producers' Association which cooperative supplies fluid milk to the two Christian County handlers as well as to presently regulated handlers. The proposal was unopposed at the hearing.

2. The Class I price should be increased 10 cents per hundredweight in each of the months August through November provided such price does not exceed the St. Louis Class I price at city plants by more than 10 cents.

Paducah, Kentucky, is located midway between St. Louis, Missouri and Memphis, Tennessee. Paducah draws its milk supply from several Kentucky and Tennessee Counties where farms supplying the Memphis market are located. Therefore, when the Memphis price is high relative to the Paducah price, the milk supply tends to shift from Paducah to Memphis.

A change this year in the seasonal pattern of pricing in the Memphis market has created a wide difference in certain months between prices paid producers in that market and prices paid Paducah producers. Although there were no instances of actual transfers from Paducah to Memphis reported at the time of the hearing, the continuation of present price differences probably will induce some producers to change to Memphis. Some such transfers are expected to take place September 1 when new producers may begin making bases on the Memphis market.

All of the producers now associated with the Paducah market (or a source of milk in an equivalent amount) are needed to supply the fluid milk product sales of handlers in that market. In 1959 more than 90 percent of all milk delivered by producers was classified in Class I in each month except May and June when the percentage dropped only to 89.

The relatively high percentage of producer milk in Class I is due to the large quantity of Class I sales made by Paducah handlers both inside and outside the marketing area. The loss of any part of such Class I sales would reduce the prices paid Paducah producers since milk produced to supply such fluid uses would become surplus and return only the Class II price.

Paducah producers can lose some of their Class I sales through two means. Handlers buying from them may reduce their purchases and supply out-ofmarket sales from other sources. Handlers who do not purchase milk from Paducah producers may increase their sales in the Paducah marketing area. The incentive for actions by handlers which would bring about such loss of sales is provided by relative levels of Class I prices. Therefore, although it is important to consider Memphis prices as they affect the competition in the procurement of milk in the areas between Paducah and Memphis, it is even more important to consider the alterna-

tives which handlers may have in supplying the Class I market which Paducah producers now supply.

Alternative supplies of milk for this Class I market are located primarily in markets to the north of Paducah. The Suburban St. Louis market is particularly important in this respect. Therefore the Class I price in the Paducah market must be kept in line with the price in Suburban St. Louis.

The Suburban St. Louis Class I price is established by a formula which adds \$1.30 (annual average) to a basic formula value and the resulting price is adjusted also to reflect levels of supply relative to Class I sales in the St. Louis and in the Chicago markets. The combination of such supply-demand adjusters resulted in an 8-cent reduction in the Suburban St. Louis Class I price in July 1960.

The Class I price formula in the Paducah order now provides for adding \$1.30 (annual average) to the basic formula value. The Paducah price formula contains no supply-demand adjuster.

There are plants which are subject to the Suburban St. Louis order which are located within 70 to 130 miles of Paducah which could be used to supply the Paducah market. If the average annual level of milk prices in Paducah were to rise more than about 10 cents above the Suburban price, certain handlers would find it more advantageous to purchase Class I milk in the Suburban St. Louis market rather than in Paducah. The St. Louis market which also draws milk from the same area supports a price 10 cents higher than the Suburban price. Therefore, even with the supply-demand adjuster reducing the Suburban St. Louis Class I price by 8 cents the Paducah price is not too high presently relative to that price. In fact, a small increase is appropriate.

The seasonal pattern of prices varies in Paducah as compared to Suburban St. Louis. The Paducah market had had a highly variable Class I price to encourage levelling of milk production and to make the price close to the cost of importing milk in the short production months. Milk purchased last year from outside sources to supplement the Paducah supply amounted to 11 million pounds. Additional milk will also be required this fall.

It is expected that the additional milk needed in Paducah during the months August-November will not be available at points nearer than Wisconsin or Iowa. The cost of such milk delivered at Paducah will be at least \$1.60 over the basic formula price. Therefore, the small increase needed to align the Paducah Class I price with Suburban St. Louis should be effected by raising the differential from \$1.50 to \$1.60 during August-November. This will accomplish a 3 cents annual rate of increase.

An increase in the differential added to the basic formula from \$1.50 to \$1.60 in the months August through November will provide the necessary adjustment without potential loss of sales under most circumstances. However, since the Suburban St. Louis and the St. Louis Class I prices are modified by supplydemand adjusters, it is possible for

prices in those markets to be reduced to the point where handlers might be induced to drop Paducah milk and obtain supplies in those markets. Therefore, the 10-cents increase in the Paducah price should not apply to the extent that such price would exceed the St. Louis city plant price in any month by more than 10 cents. Although the price alignment between Paducah and the Suburban St. Louis market is more important, the formula ceiling factor based on the St. Louis price will achieve the same result since the Suburban St. Louis price is related by a fixed amount to the St. Louis price.

3. The rate of marketing service charge should be raised from 5 to 6 cents per hundredweight. These charges are for services which the market administrator performs for producers who are not members of a cooperative association. The market administrator uses the funds obtained to verify weights and the butterfat content of the milk of such producers and to provide them with marketing information.

The market administrator testified that the present rate would not provide him sufficient funds for performing the minimum services required by the order if he were to perform such services through his own staff. Because there are relatively few nonmember producers in the market (34 at the present time) it has been the practice of the market administrator to designate the Paducah Graded Milk Producers' Association as his agent for the performance of such services. The association manager testified at the hearing that the association is unable to perform marketing services to nonmember producers for 5 cents. He proposed that the maximum deduction for marketing services be increased from 5 to 8 cents.

The cooperative manager pointed out that it has been their practice to perform the same services for the nonmember producers as they perform for their own members. Some of these services such as cooperative hauling and the marketing of excess milk are not required of the market administrator in servicing nonmember producers. Therefore, the cost of such services cannot be collected under the mandatory provision of the order.

The small increase in rate herein proposed should provide adequate funds to provide the minimum services required by the order.

4. Clarifying changes should be made in the provision which permits handlers who have relatively small sales in the Paducah marketing area, in lieu of being subjected to the complete pricing and pooling provisions of the order, to make certain compensatory payments. The provision should specify the method of accounting and determining which payments made to dairy farmers are to be included in the credit allowed handlers under certain circumstances.

One basis of computing such compensatory charges is to require a payment by the handler into the pool of any amount by which his total payments to dairy farmers are less than the total amount he would have been required to pay for such milk at the class prices

established under the Paducah order. The order should specify that all payments to dairy farmers made by a stated date be recognized for this purpose. Deductions for services and goods which are customarily provided by handlers for producers and which are properly authorized by producers should also be recognized as payments.

Since a handler may become subject to two or more Federal orders under this compensatory provision he might be required to pay administrative assessments under two or more orders on the same quantity of milk. The order should provide exemption from such assessment to the extent of payments made under another order on the same quantity of milk.

Rulings on proposed findings and conclusions. Briefs and proposed findings and conclusions were filed on behalf of certain interested parties in the market. These briefs, proposed findings and conclusions and the evidence in the record were considered in making the findings and conclusions set forth above. To the extent that the suggested findings and conclusions filed by interested parties are inconsistent with the findings and conclusions set forth herein, the requests to make such findings or reach such conclusions are denied for the reasons previously stated in this decision.

General findings. The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) The tentative marketing agreement and the order, as hereby proposed to be amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(b) The parity prices of milk as determined pursuant to section 2 of the Act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the marketing area, and the minimum prices specified in the proposed marketing agreement and the order, as hereby proposed to be amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(c) The tentative marketing agreement and the order, as hereby proposed to be amended, will regulate the handling of milk in the same manner as, and will be applicable only to persons in the respective classes of industrial and commercial activity specified in, a marketing agreement upon which a hearing has been held.

Recommended marketing agreement and order amending the order. The following order amending the order regulating the handling of milk in the Paducah, Kentucky, marketing area is

recommended as the detailed and appropriate means by which the foregoing conclusions may be carried out. The recommended marketing agreement is not included in this decision because the regulatory provisions thereof would be the same as those contained in the order, as hereby proposed to be amended:

1. Delete § 977.5 and substitute therefor:

§ 977.5 Paducah, Ky., marketing area.

"Paducah, Kentucky, marketing area" means all of the territory within the boundaries of the Kentucky Counties of McCracken, Ballard, Marshall, Graves, Calloway, Livingston, Lyon, Caldwell, Carlisle, Hickman, Trigg and Christian (except that portion of these counties contained in the Fort Campbell military reservation).

§ 977.51 [Amendment]

- 2. Delete $\S 977.51(a)$ and substitute therefor:
- (a) Class I milk price. The price of Class I milk for the month shall be the basic formula price for the preceding month plus \$0.90 in April, May and June, \$1.20 in July and March, \$1.50 in December, January and February, and \$1.60 in August, September, October, and November. *Provided*, That the price so determined for the months of August, September, October and November shall be reduced by any amount by which such price exceeds the price for Class I milk of 3.5 percent butterfat content at plants located 30 airline miles or less from the City Hall in St. Louis, Missouri, for the same month as determined pursuant to Part 903 of this chapter regulating the handling of milk in the St. Louis, Missouri marketing area, plus 10 cents.

§ 977.87 [Amendment]

3. In § 977.87(a) delete the words "5 cents" and substitute therefor the words "6 cents".

§ 977.62 [Amendment]

- 4. Delete $\S 977.62(b)$ and substitute therefor:
- (b) The following amounts, at the times specified:
- (1) On or before the 25th day after the end of the month, for the producer settlement fund, any plus amount resulting from the following computation:
- (i) Compute an amount equal to the value of milk which would be computed pursuant to § 977.70 for milk received from Grade A dairy farmers at such plant for such month if such plant had been a pool plant: Provided, That in determining classification of transfers made to pool plants and the allocation to classes of receipts from pool plants the classification at such nonpool plants shall be in accordance with the classification which was assigned at the pool plant;
- (ii) Deduct the gross payments made by the handler to dairy farmers for Grade A milk received at such plant for such month. Gross payments to be included in this computation shall be limited to cash payments made to the dairy farmer or his assignee on or before the 15th of the month following the

month in which such milk was delivered, plus the value of any supplies or services furnished by the handler on prior written authorization or as evidenced by a delivery ticket signed by the dairy farmer; and

(2) On or before the 25th day after the end of the month, as his share of the expense of administration, an amount equal to that which would have been computed pursuant to § 977.88 had such plant been a pool plant, except that such amount shall be reduced by the amount of any payment of administrative assessment charge applicable to the same milk under another order issued pursuant to this part.

Issued at Washington, D.C., this 12th day of August 1960.

ROY W. LENNARTSON, Deputy Administrator, Agricultural Marketing Service.

[F.R. Doc. 60-7685; Filed, Aug. 16, 1960; 8:49 a.m]

DEPARTMENT OF LABOR

Office of the Secretary

[29 CFR Part 4]

W R E C K I N G, DEMOLITION, AND SHIPBREAKING OPERATIONS AS OCCUPATIONS PARTICULARLY HAZARDOUS FOR THE EMPLOYMENT OF MINORS

In accordance with the procedure governing determinations of hazardous occupations (29 CFR Part 4, Subpart D), an investigation has been conducted for the purpose of ascertaining which occupations in wrecking, demolition, and shipbreaking operations are particularly hazardous for the employment of minors between 16 and 18 years of age or detrimental to their health or well-being and thus constitute oppressive child labor as defined in section 3(1) of the Fair Labor Standards Act of 1938 (52 Stat. 1060, as amended; 29 U.S.C. 201 et seq.).

A report of the investigation, entitled "Occupational Hazards to Young Workers, Report No. 15, Wrecking and Demolition Operations," has been submitted. The report concludes that all occupations in wrecking, demolition, and shipbreaking operations are particularly hazardous for the employment of minors between 16 and 18 years of age and detrimental to their health and well-being. Copies of this report are available to interested persons upon request to the Bureau of Labor Standards, United States Department of Labor, Washington 25, D.C.

On the basis of such conclusions and pursuant to authority conferred by section 3(1) of the Fair Labor Standards Act of 1938 (52 Stat. 1060, as amended; 29 U.S.C. 201 et seq.) and Reorganization Plan No. 2 (60 Stat. 1095) effective July 16, 1946, it is proposed to issue a finding and order in the form set forth

Accordingly, notice is hereby given of a public hearing to be held September 14, 1960, commencing at 2:00 p.m., in Room 2325, United States Department of Labor Building, 14th Street and Con-

stitution Avenue, Northwest, Washington 25, D.C., before a presiding officer to be hereafter designated, at which hearing interested parties may appear and be heard with respect to said proposed finding and order. All interested persons desiring to appear at the hearing are requested to notify the Secretary of Labor at least five days prior to the date fixed for the hearing. Any interested person who is unable to appear in person may file a written comment or brief with the Secretary of Labor not later than the day prior to the hearing in order that it may be made a part of the record at the hearing.

PROPOSED FINDING AND ORDER

§ 4.64 Occupations involved in wrecking, demolition, and shipbreaking operations.

- (a) Finding and declaration of fact. All occupations in wrecking, demolition, and shipbreaking operations are particularly hazardous for the employment of minors between 16 and 18 years of age and detrimental to their health and well-being.
- (b) Definition. The terms "wrecking, demolition, and shipbreaking operations" shall mean all work, including cleanup and salvage work, performed at the site of the total or partial razing, demolishing, or dismantling of a building, bridge, steeple, tower, chimney, other structure, ship or other vessel.

(c) Higher standards. This section shall not justify non-compliance with a Federal or State law or municipal ordinance establishing a higher standard than the standard established herein.

Signed at Washington, D.C., this 9th day of August 1960.

JAMES P. MITCHELL, Secretary of Labor.

[F.R. Doc. 60-7660; Filed, Aug. 16, 1960; 8:45 a.m.]

DEPARTMENT OF HEALTH, EDU-CATION, AND WELFARE

Food and Drug Administration

[21 CFR Part 120]

TOLERANCES AND EXEMPTIONS FROM TOLERANCES FOR PESTICIDE CHEMICALS IN OR ON RAW AGRICULTURAL COMMODITIES

Sodium Chloride; Notice of Proposal To Declare Such Substance as Safe

Notice is given that the Commissioner of Food and Drugs, on his own initiative, pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408(e), 68 Stat. 514; 21 U.S.C. 348(e)) and in accordance with the authority delegated to him by the Secretary of Health, Education, and Welfare (22 F.R. 1045, 23 F.R. 9500, 25 F.R. 5611) proposes to amend the regulations for setting tolerances and granting exemptions from tolerances for pesticide chemicals

in or on raw agricultural commodities (21 CFR 120.2) as follows:

It is proposed to amend § 120.2 Pesticide chemicals considered safe, by adding "sodium chloride" to the list of pesticide chemicals therein. As amended, paragraph (a) will read as follows:

(a) As a general rule, pesticide chemicals other than ferrous sulfate, sulfur, lime, lime-sulfur, potassium polysulfide, sodium carbonate, sodium chloride, and sodium polysulfide are not, for the purposes of section 408(a) of the act, generally recognized as safe for use.

Any interested person may, within 30 days from the date of the publication of this notice in the FEDERAL REGISTER, file, in quintuplicate, with the Hearing Clerk, Department of Health, Education, and Welfare, 330 Independence Avenue SW., Washington 25, D.C., written views or comments on this proposal.

Dated: August 10, 1960.

[SEAL] GEO. P. LARRICK, Commissioner of Food and Drugs.

[F.R. Doc. 60-7672; Filed, Aug. 16, 1960; 8:47 a.m.]

[21 CFR Part 146a]

CERTIFICATION OF PENICILLIN AND PENICILLIN-CONTAINING DRUGS

Penicillin-Streptomycin (or Dihydrostreptomycin) Ointment

The Commissioner of Food and Drugs. pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 507, 59 Stat. 463, as amended; sec. 701, 52 Stat. 1055, as amended; 21 U.S.C. 357, 371) and delegated to him by the Secretary of Health, Education, and Welfare (22 F.R. 1045, 23 F.R. 9500, 25 F.R. 5611), proposes to amend the regulations for the certification of penicillin-streptomycin (or dihydrostreptomycin) ointment and mineral oil suspension (21 CFR 146a.54) as hereinafter set forth. The Commissioner hereby offers an opportunity to all interested persons to submit their views in writing with reference to this proposal to the Hearing Clerk, Department of Health, Education. and Welfare, Room 5440, 330 Independence Avenue SW., Washington 25, D.C., within 30 days from the date of publication of this notice in the FEDERAL REG-Views and comments should be ISTER. submitted in quintuplicate.

It is proposed to amend § 146a.54 Penicillin-streptomycin ointment (penicillin-streptomycin mineral oil suspension); penicillin-dihydrostreptomycin ointment (penicillin-dihydrostreptomycin mineral oil suspension.) in the following manner:

1. By changing the period at the end of paragraph (a) (3) to a semicolon and adding the following clause: "; and if it is packaged and labeled solely for use as an aid in the treatment of Vibrio fetus in carrier bulls, or for intrauterine infusion in cows, it may contain 20 milligrams of diethylstilbestrol per dose as recommended in its labeling."

2. By designating the present text of paragraph (b) of § 146a.54 as subparagraph (1), by inserting the words ", or diethylstilbestrol" after the word "papain", and by adding a new subparagraph. As amended, paragraph (b) would read as follows:

(b)(1) In lieu of the labeling prescribed for penicillin ointment by \$146a.26(c)(1)(ii), each package shall bear on the outside wrapper or container and the immediate container the number of units of each salt of penicillin per gram and the number of milligrams of streptomycin or dihydrostreptomycin per gram, and if it contains cobalt, preservatives, sulfonamides, papain, or diethylstilbestrol, the quantity of each.

(2) In addition to the labeling pre-

(2) In addition to the labeling prescribed by § 146a.26(c), if it is intended solely for veterinary use and it contains diethylstilbestrol, each package shall bear on its label the statement: "Caution: Federal law restricts this drug to sale by or on the order of a licensed veterinarian."

Dated: August 10, 1960.

[SEAL] GEO. P. LARRICK, Commissioner of Food and Drugs.

[F.R. Doc. 60-7671; Filed, Aug. 16, 1960; 8:47 a.m.]

ATOMIC ENERGY COMMISSION

[10 CFR Part 70]

SPECIAL NUCLEAR MATERIAL. Notice of Proposed Rule Making

The following proposed amendment prescribes a standard transfer and receipting form to be used by persons holding licenses issued pursuant to the regulations in Part 70, Chapter 1, Title 10, Code of Federal Regulations, in initiating and receipting shipments of special nuclear material.

The prescribed transfer and receipting form, Form AEC-388, would replace Forms AEC-459-A and AEC-459-B. which have been used heretofore for similar purposes. Whereas Form AEC-459-A has been used previously, among other things, as a document for obtaining AEC approval of transfers of financial responsibility, the new Form AEC-388 will provide a means of receipting such shipments but will not, on the form itself, establish the terms and conditions under which the receiving licensee assumes financial responsibility to the Commission for the material shipped. Such terms and conditions will be reflected in a separate document, designated the Lease Agreement, referred to in the Commission's announcement published in the FEDERAL REGISTER on December 16, 1959.

Notice is hereby given that adoption of the following amendment to 10 CFR Part 70 is contemplated. All interested persons who desire to submit written comments and suggestion for consideration in connection with the proposed amendment should send them to the U.S. Atomic Energy Commission, Washing-

ton 25, D.C., Attention: Director, Division of Licensing and Regulation, within 60 days after publication of this notice in the FEDERAL REGISTER. Copies of Form AEC-388 referred to in the proposed amendment will be furnished upon request.

§§ 70.55, 70.56 [Redesignation]

- 1. Redesignate $\S\S 70.54$ and 70.55 as $\S\S 70.55$ and 70.56, respectively.
 - 2. Add the following new § 70.54:

§ 70.54 Material transfer reports.

Each licensee who transfers and each licensee who receives special nuclear material shall submit to the Commission on Form AEC-388, in accordance with the instructions set out therein, reports concerning each transfer of special nuclear material which has been distributed by the Commission pursuant to section 53 of the Act. Such reports shall be transmitted to the Commission

promptly after the transfer takes place.

Dated at Germantown, Md., this 8th day of August 1960.

For the Atomic Energy Commission.

R. E. Hollingsworth, Acting General Manager.

[F.R. Doc. 60-7653; Filed, Aug. 16, 1960; 8:45 a.m.]

Notices

DEPARTMENT OF THE INTERIOR

Bureau of Land Management ALASKA

Notice of Filing of Plat of Survey and Order Providing for Opening of Public Lands

AUGUST 10, 1960.

1. A plat of survey of the lands described below will be officially filed in the Fairbanks Land Office, Fairbanks, Alaska, effective at 10:00 a.m. on September 14, 1960:

T. 18 N., R. 12 E., of Copper River Meridian, Alaska. Sections 1 through 36, excepting Section 18, which is not approved.

The area is formed of flat to gently rolling terrain, lying south and west of Tok Junction along the Alaska Highway, and the Slana-Tok Highway. The land is composed of gravel, overlain by a thin layer of topsoil. The greater part of the cover consists of Spruce, Aspen, Cottonwood, and indigenous softwoods. A portion of the lands described is suitable for agricultural use.

2. Subject to any existing valid rights and the requirements of applicable law, the lands described in Paragraph 1 hereof, are hereby opened to filing of applications, selections, and locations in accordance with the following:

Applications and selections under the nonmineral public land laws and applications may be presented to the Manager mentioned below beginning on the date of this order. Such applications and selections will be considered as filed on the hour and respective dates shown for the various classes enumerated in the following paragraph.

(1) Applications by persons having prior existing valid settlement rights, preference rights conferred by existing laws, or equitable claims subject to allowance and confirmation will be adjudicated on the facts presented in support of each claim or right. All applications presented by persons other than those referred to in this paragraph will be subject to the applications and claims mentioned in this paragraph.

(2) All valid applications and selections under the nonmineral public land laws other than those coming under Paragraph (1) above presented prior to 10:00 a.m. on November 8, 1960, will be considered as simultaneously filed at that hour. Rights under such applications and selections filed after that hour will be governed by the time of filing.

3. Persons claiming preference right based upon valid settlement, statutory preference or equitable claims must enclose properly corroborated statements in support of their applications, setting forth all facts relevant to their claims. Detailed rules and regulations governing applications which may be filed pursuant to this notice can be found in Title 43 of the Code of Federal Regulations.

4. Applications for these lands which shall be filed in the Land Office, at Fairbanks, Alaska, shall be acted upon in accordance with the regulations contained in § 295.8 of Title 43 of the Code of Federal Regulations to the extent such regulations are applicable. Applications under the Homestead and Homesite Laws shall be governed by the regulations contained in Parts 64, 65, and 166 of Title 43 of the Code of Federal Regulations and applications under the Small Tract Act of June 1, 1938, shall be governed by the regulations contained in Part 257 of that title.

5. Inquiries concerning these lands shall be addressed to the Manager, Fairbanks Land Office, 516 Second Avenue, Fairbanks, Alaska.

> Daniel A. Jones, Manager.

[F.R. Doc. 60-7659; Filed, Aug. 16, 1960; 8:45 a.m.]

Fish and Wildlife Service ADMINISTRATION; PERSONNEL Amendment to Delegations of Authority

On page 6655 of the Federal Register of July 14, 1960, there were published delegations of authority with respect to personnel for the Bureau of Commercial Fisheries. In an amendment to such delegations, as set forth below, the Office of the Commissioner of Fish and Wildlife is included in the personnel management function of the Headquarters Office.

As so amended 2311.3A(1) reads as follows.

SERIES 2000—ADMINISTRATION

TITLE 2300-PERSONNEL

Chapter 2310—Policy and Delegations of Authority

2311.3 Personnel management. * * * A. The following are the specific delegations for personnel management:

(1) Headquarters Office. Assistant Director, Chief, Division of Administration, all of the authority stated herein for the Bureau of Commercial Fisheries and the Office of the Commissioner of Fish and Wildlife.

(Commissioner's Order No. 3 (22 F.R. 8126))

DONALD L. McKernan, Acting Director.

August 11, 1960.

[F.R. Doc. 60-7657; Filed, Aug. 16, 1960; 8:45 a.m.]

Office of the Secretary RESIDUAL FUEL OIL TO BE USED AS FUEL; DISTRICTS I-IV

Maximum Level of Imports

Pursuant to paragraph (e) section 2 of Presidential Proclamation 3279, as amended, the maximum level of imports into Districts I-IV of residual fuel oil to be used as fuel shall be 415,000 barrels daily for the allocation period October 1, 1960 through December 31, 1960. This action constitutes an adjustment upward of the maximum level (250,000 barrels daily) now in effect in those Districts. Neither the present level nor the adjusted level includes residual fuel oil withdrawn from bonded warehouse for ships' supplies or for exportation.

FRED A. SEATON, Secretary of the Interior.

August 15, 1960.

[F.R. Doc. 60-7770; Filed, Aug. 16, 1960; 10:23 a.m.]

DEPARTMENT OF COMMERCE

Bureau of Foreign Commerce
JAMES L. FITZGERALD AND JAMES L.
FITZGERALD CO., INC.

Order Revoking Export Licenses and Denying Export Privileges

In the matter of James L. Fitzgerald and James L. Fitzgerald Co., Inc., 68 Nassau Street, New York 38, New York, Respondents, Case No. 275.

The respondents, James L. Fitzgerald and James L. Fitzgerald Co., Inc., having been charged by the Director, Investigation Staff, Bureau of Foreign Commerce, United States Department of Commerce, with violations of the Export Control Act of 1949, as amended, and regulations promulgated thereunder, were duly served with the charging letter and appeared herein by attorney, admitting the allegations which constitute the findings of fact hereinafter set forth and denying all other allegations.

Because certain of the allegations, those denied by these respondents, involved facts identical to those contained in allegations set forth in another charging letter issued against Wassmer & Cie.. an exporter-importer in Zurich. Switzerland (decided herewith), both cases were consolidated for hearing of the common issues. The Compliance Commissioner, having heard and considered all the evidence submitted in support of the charges and the evidence and arguments submitted on behalf of the respondents in opposition thereto, has transmitted to the undersigned Director, Office of Export Supply, Bureau of Foreign Commerce, United States Department of Commerce, his written report, which contained findings of fact, as admitted by the respondents herein, and a conclusion that the evidence in support of the allegations denied was not sufficient for a finding of violation with respect thereto. In accordance with Section 382.9 of the Regulations, that charge contained in the charging letter which the Compliance Commissioner has found is not supported by the evidence, is hereby dismissed. He has recommended that the respondents be denied export privileges in the manner and in accordance with the qualifications hereinafter set forth.

After reviewing and considering the entire record of this case and the Compliance Commissioner's Report and Recommendation, I hereby make the following findings of fact:

1. At all time hereinafter mentioned, James L. Fitzgerald was engaged in the export business in the City of New York, and he conducted that business as an officer, director, and principal owner of James L. Fitzgerald Co., Inc. (The use of the word, respondents, or of the name, Fitzgerald, hereafter is intended to include both Fitzgerald and the

corporation.)

2. In February, March, April, and August of 1957, respondents made shipments (one in each month) of goods from the United States under and pursuant to export declarations in which they certified that the good being exported were being exported under and pursuant to a General License, either GLV or GRO.

- 3. The exportation in February 1957 was described by them as consisting of two cases of voltmeters valued at \$600, when in fact an oscillograph and a transformer of a value of \$1,192 were contained therein. A validated export license was necessary to support this exportation, but they failed and omitted to apply for and obtain the same.
- 4. In March 1957, they exported a quantity of grinders, quills, spindles, and bearings which they described in the export declaration as being two post grinders valued at \$355 and a case of quills valued at \$180, for the purpose of claiming that the exportation was authorized under General License GLV. The true value of the quills was \$1,779.20, and the true value of the bearings was \$147.50. Validated export licenses were required for the exportation of quills having a value in excess of \$500, and for the exportation of bearings having a value in excess of \$100. Respondents failed tò apply for and did not obtain the required validated export licenses authorizing these exportations.
- 5. In April 1957, respondents exported electronic tubes aggregating in value the sum of \$2,082.32 and, in the export declaration supporting that exportation, they certified that the goods being exported were mechanical filters valued at \$560, subject to General License GRO. The tubes so exported were on the Positive List and, being of a value in excess of \$50, were subject to validated export license requirements. The respondents failed to apply for and did not obtain the

necessary validated export license for this exportation.

6. Respondents failed to disclose in the said declaration that they were the exporters and instead stated therein that another company of New York was.

7. In August 1957, respondents exported from the United States cathode ray oscillographs and a cathode ray oscillograph recording camera valued in the aggregate at \$3,900, but described them in the export declaration supporting said exportation as electric recording equipment valued at \$363, subject only to General License GRO. The oscillographs and camera were subject to validated export license requirements and the respondents failed and omitted to apply for and obtain the necessary validated export licenses in support of said exportation.

And from the foregoing, I have concluded that the said respondents:

A. Knowingly exported Positive List commodities from the United States without licenses authorizing the exportations, in violation of §§ 370.2 and 372.3 of the Export Regulations.

B. Used export control documents, namely, shipper's export declarations, for the purpose of and in connection with facilitating and effecting exportations other than those set forth in said documents, in violation of § 381.8 of the Export Regulations.

C. Knowingly made false representations to, and concealed material facts from, the Collector of Customs and the BFC, in connection with the preparation, submission and use of export control documents, for the purpose of and in connection with effecting exportations from the United States, in violation of § 381.5 of the Export Regulations.

In connection with his findings requiring that one of the charges be dismissed, the Compliance Commissioner said:

Fitzgerald is not charged with soliciting a violation. He is charged with acting in concert with Wassmer to violate the export control law and regulations and with having attempted to bring about a violation of certain sections contrary to section 381.3 of the Regulations. While it is quite clear that Fitzgerald freely gave Wassmer whatever information he requested and indicated a willingness, if a way could be found, to export the pulpstones under conditions which would have constituted a violation, I find nothing in his entire course of conduct which actually constituted a violation of the law or regulations, nor can I fit anything that Fitzgerald did into the context of section 381.3 as it read at the time of the happening of the events herein * * *.

There is, nevertheless, much in the way Fitzgerald acted to merit severe censure. He exhibited a complete lack of understanding of his responsibility as an exporter. He made no effort to ascertain to where the pulpstones actually were to go. He never informed Wassmer of his assumption that they were to go to Formosa. He never had a genuine basis for believing that they were to go to Formosa and picked that place only because he knew no validated license would be issued for Communist China. He was unable to see any distinction between a shipment to Switzerland and a shipment to Formosa. He gave the impression of willingness to be a party to a shipment which would constitute a violation. He knew that Wassmer was maneuvering to procure a

shipment in violation of the regulations. He conceded that the intention would have been to transship. This sort of conduct could have been cause for proceedings under Section 384.2 of the Regulations.

In explaining his recommendation that the remedial action be as herein provided, the Compliance Commissioner said, in part:

I had the opportunity to observe Mr. Fitzgerald during about two days that he spent on the witness stand, and I have formed additional impressions about him from my reading of the voluminous correspondence exchanged between him and Wassmer. I have come to the conclusion that any remedial action against him, even though seemingly moderate, will have a severe effect, from which recovery will be difficult. In my opinion, the remedial action to be taken against him should be of a nature which will protect him against himself and against his anxiety to develop his export business in this very competitive field. It is for this reason that I have concluded that a long period of suspended denial on probation, coupled with a relatively short period of effective denial, would be the fairest and most effective remedial action to be taken to achieve enforcement of the law.

Now, after careful consideration of the entire record and being of the opinion that the recommendation of the Compliance Commissioner is fair and just and that this order is necessary to achieve effective enforcement of the law, it is hereby ordered:

I. All outstanding validated export licenses in which James L. Fitzgerald and James L. Fitzgerald Co., Inc. appear or participate as applicant, purchaser, party in interest, or otherwise, are hereby revoked and shall be returned forthwith to the Bureau of Foreign Commerce for cancellation.

II. For two years from the date hereof, except as qualified in Part IV hereof, the respondents James L. Fitzgerald and James L. Fitzgerald Co., Inc. hereby are denied all privileges of participating, directly or indirectly, in any manner or capacity, in any exportation of any commodity or technical data from the United States to any foreign destination, including Canada. Without limitation of the generality of the foregoing denials of export privileges, participation in an exportation is deemed to include and prohibit participation by either such respondent, directly or indirectly, in any manner or capacity, (a) as a party or as a representative of a party to any validated export license application, (b) in the preparation or filing of any export license application or document to be submitted therewith, (c) in the obtaining or using of any validated or general export license or other export control document, (d) in the receiving, ordering, buying, selling, delivering, using, or disposing in any foreign country of any commodities in whole or in part exported or to be exported from the United States, and (e) in financing, forwarding, transporting, or other servicing of such exports from the United States.

III. Such denial of export privileges shall extend not only to each respondent, but also to any person, firm, corporation, or business organization with which either of them may be now or hereafter related by ownership, control, position of

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responsibility, or other connection in the conduct of trade in which may be involved exports from the United States or service connected therewith.

IV. Three months after the date hereof, without further order of the Bureau of Foreign Commerce, James L. Fitzgerald and James L. Fitzgerald Co., Inc. shall have their export privileges restored to them conditionally, the condition for such restoration being that during two years following the date hereof the said respondents shall comply in all respects with this order and with all requirements of the Export Control Act of 1949, as amended, and all regulations, licenses, and orders issued thereunder.

V. The privileges so conditionally permitted to James L. Fitzgerald and James L. Fitzgerald Co., Inc. under Part IV hereof, may be revoked summarily and without notice upon a finding by the Director of the Office of Export Supply, or such other official as may at that time be exercising the duties now exercised by him, that either such respondent has knowingly failed to comply with the conditions set forth therein, in which event Part II hereof shall then be and become effective for twenty-one months following the date of the order making such finding or until two years from the date hereof, whichever shall be the later, without thereby precluding the Bureau of Foreign Commerce from taking such other and further action based on such violation or violations as it shall deem warranted. In the event that such supplemental order is issued, such respondents and related parties as are aggrieved thereby shall have the right to appeal therefrom, as provided in the Export Regulations.

VI. During any time when the respondents and any party related to them are prohibited from engaging in any activity within the scope of Part II hereof, no person, firm, corporation, or other business organization, whether in the United States or elsewhere, on behalf of or in any association with them, or any of them, without prior disclosure to, and specific authorization from the Bureau of Foreign Commerce, shall directly or indirectly, in any manner or capacity, (a) apply for, obtain, or use any export license, shipper's export declaration, bill of lading, or other export control document relating to any such prohibited activity, or (b) order, receive, buy, sell, deliver, use, dispose of, finance, transport, forward, or otherwise service or participate in any exportation from the United States. Nor shall any person, firm, corporation, or other business organization do any of the foregoing acts with respect to any exportation in which such respondents or a related party may have any interest or obtain any benefit of any kind or nature, direct or indirect.

Dated: August 12, 1960.

John C. Borton,
Director,
Office of Export Supply.

[F.R. Doc. 60-7675; Filed, Aug. 16, 1960; 8:48 a.m.]

EUGENE E. WASSMER

Order Denying Export Privileges

NOTICES

In the matter of Eugene E. Wassmer, doing business under the firm name and style of Wassmer & Cie., Morgental-strasse 10, Zurich-2/38, Switzerland, Respondent, Case No. 274.

Eugene E. Wassmer, an exporter and importer of Zurich, Switzerland, doing business under the firm name and style of Wassmer & Cie., the respondent herein, was charged by the Director, Investigation Staff, Bureau of Foreign Commerce of the United States Department of Commerce, with having violated the Export Control Act of 1949, as amended, and regulations promulgated thereunder. He appeared and answered in person and, during the pendency of this proceeding, was represented by counsel.

In accordance with the practice, the case was referred to the Compliance Commissioner, who has reported that the evidence supports findings of violation and has recommended that the respondent be denied export privileges so long as export controls remain in effect.

Now, after considering the entire record consisting of the charges, the evidence submitted in support thereof, the answer and other evidence submitted by or on behalf of the respondent, and the Report and Recommendation of the Compliance Commissioner, I hereby make the following findings of fact:

1. At all times hereinafter mentioned, the respondent, Eugene E. Wassmer, was engaged in the export and import business in Zurich, Switzerland, under the firm name and style of Wassmer & Cie.

2. Beginning in May 1957 and continuously during that month and in June, Wassmer wrote a number of letters to an exporter in the City of New York, stating his interest in acquiring various chemical and electronic materials to be exported from the United States. In the said letters, he suggested various methods and devices whereby he solicited that exporter to export to him the goods desired by him without complying with various requirements of the export control regulations of the United States and in contravention thereof.

3. During the various exchanges of correspondence, the American exporter had advised him in clear and precise statements of the applicable provisions and requirements of the export control regulations. Having so advised him, it refused to accede to his requests and informed him that "* * instead of supplying all the pertinent information * * requested, you have merely suggested several ways in which our export

license regulations could be circumvented. We must bluntly state that we cannot cooperate with you along these lines, regardless of how much we would like to do business with you."

4. Thereafter, following conferences in Switzerland with affiliates of a certain New York forwarding company, respondent advanced funds to the New York forwarding company and requested it to purchase for him, to be exported to him, certain of the electronic materials which had been the subject of the correspondence between him and the New York ex-

porter who had refused to do business with him.

5. Respondent ordered from the forwarding company in New York numerous electronic items, including 50 Philco transistors having a value of \$287.50. A'though the first New York exporter had advised him that a validated license was necessary but that an import certificate was not required for Finland, respondent either sought to have these tubes exported from New York to Finland pursuant to General License or designated Finland as the country of destination because he had been informed that no import certificate was required for that country. The New York forwarder ascertained, however, and informed him that a validated export license was necessary.

6. In order to induce the said exportation and in response to inquiries from the New York forwarding company, respondent stated and represented to it that the purchaser of the goods was a named firm in Helsingfors, Finland, and that the goods were intended for hearing aids to be manufactured in Finland, the country of ultimate destination.

7. The firm named by the respondent as the purchaser in Finland was not the purchaser and had had no communication with the respondent; and respondent's true customer and the true destination of the said transistors have never been ascertained.

8. In reliance on the statements and representations made by the respondent to it, the New York forwarder applied for and the Bureau of Foreign Commerce issued a validated export license authorizing the exportation of the said 50 Phileo transistors to the said named consignee in Finland. Thereafter, in August 1957, they were exported from the United States under and pursuant to the authority of the said export license for delivery to the named consignee in Finland, after receipt by a forwarder in Holland as authorized intermediate consignee.

9. The respondent obtained possession of the said transistors after the forwarder at his request had placed the same in storage in Amsterdam, Holland, for transit purposes; and, after obtaining such possession, respondent delivered the same in Amsterdam, Holland, to a person other than the named consignee. The transistors never were delivered to the named consignee.

10. In another transaction whereby the respondent sought to obtain pulpstones having a value of approximately \$20,000, more or less, he wrote numerous letters to his supplier in New York, soliciting the exportation thereof pursuant to General License, accompanied by bill of lading not bearing the required destination control statement restricting delivery of the goods to authorized destinations only: as an alternative, solicited the supplier to have the goods shipped to Montreal for exportation abroad to the end that the applicable export control regulations thereby might be averted: suggested numerous alternate destinations in Europe to which respondent hoped the pulpstones might be shipped in a manner to lessen or avert

the impact of the export control regulations, and solicited the New York exporter to export the pulpstones to one of those places if his other suggestions and requests were not acceptable or accomplished.

11. During all the negotiations and representations for the purchase of the said pulpstones, respondent at no time disclosed to his supplier in New York the name of the true purchaser thereof or the country of ultimate destination.

12. Respondent made substantial payments to his supplier in New York on account of the purchase price for said pulpstones and made arrangements for final payment to be made at the time of the exportation, but none of the said pulpstones was at any time exported from the United States, by reason of intervention by the United States Treasury Department, which caused all negotiations having anything to do with the intended exportation to be halted.

And from the foregoing, it is my conclusion that respondent Eugene E. Wassmer knowingly:

A. Disposed of and diverted licensed United States origin commodities to unauthorized destinations, contrary to prior representations and to prior notification that such actions were prohibited, thereby violating § 381.6 of the Export Control Regulations.

B. Made false and misleading statements and concealed material facts, contrary to § 381.5 of the Export Control Regulations.

C. Counselled, sought to induce, and solicited exporters in the United States to do acts prohibited by the Export Control Regulations, thereby violating \$\frac{8}{3}\$ 381.2 and 381.3 thereof, as then in effect.

In summing up his impression of Wassmer's conduct, and in connection with his recommendation that the remedial action be as herein provided, the Compliance Commissioner said, in part:

It is quite apparent to me [that in Wassmer's numerous letters to an American supplier] * * * * [he] was not seeking information for the purpose of finding ways to comply with the law, but was seeking information and used and intended to use such information as he did receive for the purpose of devising methods and means to violate the law in ways or manners not susceptible of easy detection. He was as bad a conniver as any that have come before me in the past.

This respondent is deserving of no consideration whatsoever. He connived in every way possible to have goods exported to him from the United States without complying with the requirements of the export control regulations. It may easily be inferred that the goods he sought were for persons and destinations for whom and for which he well knew export licenses would not be approved. He was not content to confine his nefarious activities to himself, but sought most assiduously to pervert and make violators of the American exporters with whom he did business. It is my recommendation that he be denied all export privileges so long as export controls are in effect.

Having concluded that the recommended action is fair, just, and necessary to achieve effective enforcement of the law, it is hereby ordered: in effect, the said respondent, his agents, servants, and employees, be, and they hereby are denied all privileges of participating, directly or indirectly, in any manner or capacity, in any exportation of any commodity or technical data from the United States to any foreign destination, including Canada, whether such exportation has heretofore or hereafter been completed. Without limitation of the generality of the foregoing denial of export privileges, participation in an exportation is deemed to include and prohibit participation, directly or indirectly, in any manner or capacity, (a) as a party or as a representative of a party to any validated export license application, (b) in the obtaining or using of any validated license, or resorting to a procedure permitted by any General License, or the utilization of any export control document, (c) in the receiving, ordering, buying, selling, using, or disposing in any foreign country of any commodities in whole or in part exported or to be exported from the United States. and (d) in storing, financing, forwarding, transporting, or other servicing of such exports from the United States.

II. Such denial of export privileges shall extend not only to the respondent, but also to any person, firm, corporation, or business organization with which he now or hereafter may be related by affiliation, ownership, control, position of responsibility, or other connection in the conduct of trade in which may be involved exports from the United States or services connected therewith.

III. Without prior disclosure to, and specific authorization from the Bureau of Foreign Commerce, no person, firm, corporation, partnership, or other business organization, whether in the United States or elsewhere, shall, on behalf of or in any association with the respondent, directly or indirectly, in any manner or capacity, (a) apply for, obtain, or use any license, shipper's export declaration. bill of lading, or other export control document relating to any such pro-hibited activity or (b) order, receive, buy, use, sell, dispose of, finance, transport, or forward any commodity heretofore or hereafter exported from the United States. Nor shall any person do any of the foregoing acts with respect to any such commodity or exportation in which the respondent may have any interest of any kind or nature.

Dated: August 12, 1960.

John C. Borton,
Director,
Office of Export Supply.

[F.R. Doc. 60-7676; Filed, Aug. 16, 1960; 8:48 a.m.]

ATOMIC ENERGY COMMISSION

[Docket No. 50-154]

MARTIN CO.

Issuance of Amendment to Construction Permit

Please take notice that the Atomic Energy Commission has issued Amend-

I. So long as export controls shall be a effect, the said respondent, his agents, experience and employees, be, and they experby are denied all privileges of parapriparting, directly or indirectly, in any anner or capacity, in any exportation and any commodity or technical data from the United States to any foreign ment No. 1 to Construction Permit No. CPCX-17 set forth below. The amendate ment extends to December 1, 1960, as requested by the applicant, the latest date for completion of construction Permit No. CPCX-17 set forth below. The amendate ment extends to December 1, 1960, as requested by the applicant, the latest date for completion of construction Permit No. CPCX-17 set forth below. The amendate ment extends to December 1, 1960, as requested by the applicant, the latest date for completion of construction Permit No. CPCX-17 set forth below. The amendate ment extends to December 1, 1960, as requested by the applicant, the liquid fluidized bed reactor critical experiments facility to be located near Middle River, Maryland.

In accordance with the Commission's rules of practice (10 CFR Part 2) the Commission will direct the holding of a formal hearing on the matter of the issuance of the amendment to the construction permit upon receipt of a request therefor from the permittee or an intervener within thirty days after issuance of the license amendment. Petitions for leave to intervene and requests for a formal hearing shall be filed by mailing a copy to the Office of the Secretary, Atomic Energy Commission, Washington 25, D.C., or by delivery of a copy in person to the Office of the Secretary, Germantown, Maryland, or the AEC's Public Document Room, 1717 H Street, Washington, D.C. For further details see the application for amendment dated July 22, 1960, submitted by The Martin Company.

Dated at Germantown, Md., this 10th day of August 1960.

For the Atomic Energy Commission.

R. L. Kirk,
Acting Director, Division of
Licensing & Regulation.

[Construction Permit No. CPCX-17; Amdt. 1]

Paragraph 3.A. of Construction Permit No. CPCX-17 is hereby amended by changing the second sentence thereof to read as follows: The latest date for completion of the facility is December 1, 1960.

This amendment is effective as of the date of issuance.

Date of issuance: August 10, 1960.

For the Atomic Energy Commission.

R. L. KIRK, Acting Director, Division of Licensing and Regulation.

[F.R. Doc. 60-7652; Filed, Aug. 16, 1960; 8:45 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[Docket Nos. 13605-13607; FCC 60M-1371]

ABILENE RADIO AND TELEVISION CO. ET AL.

Order Setting Prehearing Conference

In re applications of Abilene Radio and Television Company, San Angelo, Texas, Docket No. 13605, File No. BPCT-2639; E. C. Gunter, San Angelo, Texas, Docket No. 13606, File No. BPCT-2663; Dornita Investment Corp., San Angelo, Texas, Docket No. 13607, File No. BPCT-2714; for construction permits for new television broadcast stations (Channel 3).

It is ordered, This 9th day of August 1960, that all parties, or their counsel, in the above-entitled proceeding are directed to appear for a prehearing conference pursuant to the provisions of

7896 **NOTICES**

offices of the Commission in Washington, D.C., at 9:00 a.m., September 12, 1960.

Released: August 10, 1960.

FEDERAL COMMUNICATIONS COMMISSION.

[SEAL] BEN F. WAPLE,

Acting Secretary.

[F.R. Doc. 60-7686; Filed, Aug. 16, 1960; 8:49 a.m.]

[Docket No. 13758; FCC 60M-1385]

BERT CUBBEDGE

Order Scheduling Hearing

In the matter of Bert Cubbedge, Edgewater, Florida, Docket No. 13758; order to show cause why there should not be revoked the License for Radio Station WH-5889 aboard the vessel "Lou".

It is ordered, This 10th day of August 1960, that James D. Cunningham will preside at the hearing in the aboveentitled proceeding which is hereby scheduled to commence on September 20, 1960, in Washington, D.C.

Released: August 11, 1960.

[SEAL]

FEDERAL COMMUNICATIONS . COMMISSION, BEN F. WAPLE, Acting Secretary.

[F.R. Doc. 60-7687; Filed, Aug. 16, 1960; 8:49 a.m.]

[Docket Nos. 13694-13707; FCC 60M-1384]

EAST ARKANSAS BROADCASTERS. INC. (KWYN) ET AL.

Order Scheduling Hearing

In re applications of East Arkansas Broadcasters, Inc. (KWYN), Wynne, Arkansas, Docket No. 13694, File No. BP-12327; et al., Docket Nos. 13695, 13696, 13697, 13698, 13699, 13700, 13701, 13702, 13703, 13704, 13705, 13706, 13707; for construction permits.

It is ordered, This 10th day of August 1960, that Basil P. Cooper will preside at the hearing in the above-entitled proceeding which is hereby scheduled to commence on November 7, 1960, in Washington, D.C.

Released: August 11, 1960.

FEDERAL COMMUNICATIONS COMMISSION.

BEN F. WAPLE, [SEAL]

Acting Secretary.

[F.R. Doc. 60-7688; Filed, Aug. 16, 1960; 8:49 a.m.]

[Docket Nos. 13692, 13693; FCC 60M-1370]

EMPIRE COMMUNICATIONS CO. AND TELEPHONE ANSWERING SERVICE

Order Scheduling Hearing

In re applications of Leslie F. Smith, Jr., d/b as Empire Communications Company, docket No. 13692, File Nos. 2233-C2-P-59, 2234-C1-P/L-59, for construction permits to establish a new twoway communication service in the Do-

§ 1.111 of the Commission's rules, at the mestic Public Land Mobile Radio Service at Salem, Oregon; Vincent W. Elliott, d/b as Telephone Answering Service, Docket No. 13693, File Nos. 2639-C2-P-59, 1530-C1-PL-60, for construction permits to establish a new two-way communication service in the Domestic Public Land Mobile Radio Service at Salem, Oregon.

It is ordered. This 9th day of August 1960, that H. Gifford Irion will preside at the hearing in the above-entitled proceeding which is hereby scheduled to commence on October 19, 1960, in Washington, D.C.

Released: August 10, 1960.

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL] BEN F. WAPLE, Acting Secretary.

[F.R. Doc. 60-7689; Filed, Aug. 16, 1960; 8:50 a.m.]

[Docket No. 13757; FCC 60M-1386]

DON G. MORRISON

Order Scheduling Hearing

In the matter of Don G. Morrison, 3309 Robbin Hood, Texarkana, Texas, Docket No. 13757; order to show cause why there should not be revoked the License for Citizens Radio Station 8W1013.

It is ordered, This 10th day of August 1960, that James D. Cunningham will preside at the hearing in the above-entitled proceeding which is hereby scheduled to commence on September 19, 1960, in Washington, D.C.

Released: August 11, 1960.

FEDERAL COMMUNICATIONS COMMISSION.

BEN F. WAPLE, [SEAL] Acting Secretary.

[F.R. Doc. 60-7690; Filed, Aug. 16, 1960; 8:50 a.m.]

[Docket No. 12731 etc.; FCC 60M-1369]

RADIO STATION WAYX, INC. (WAYX) ET AL.

Order Setting Prehearing Conference

In re applications of Radio Station WAYX, Inc. (WAYX), Waycross, Georgia, Docket No. 12731, File No. BP-12295; Radio Gainesville, Inc. (WGGG), Gainesville, Florida, Docket No. 13634, File No. BP-12391; Middle South Broadcasting Company (WBML). Macon. Georgia, Docket No. 13635, File No. BP-12459; Fisher Broadcasting Company, (WSOK), Savannah, Georgia. Docket No. 13636, File No. BP-12726; Ben. Hill Broadcasting Corporation (WBHB). Fitzgerald, Georgia, Docket No. 13637, File No. BP-13063; Radio South, Inc. (WXLI), Dublin, Georgia, Docket No. 13638, File No. BMP-8559; for construction permits.

It is ordered, This 9th day of August 1960, that all parties, or their counsel, in the above-entitled proceeding are directed to appear for a prehearing conference pursuant to the provisions of § 1.111 of the Commission's rules, at the

offices of the Commission in Washington, D.C., at 9:00 a.m., September 13, 1960.

Released: August 10, 1960.

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL] BEN F. WAPLE.

Acting Secretary.

[F.R. Doc. 60-7693; Filed, Aug. 16, 1960; 8:50 a.m.]

[Docket No. 13744; FCC 60M-1377]

MOUNTAIN EMPIRE RADIO CO.

Order Scheduling Hearing

In re application of James B. Childress and James E. Reed d/b as Mountain Empire Radio Company, Clinton, Tennessee, Docket No. 13744, File No. BP-12925, for construction permit.

It is ordered, This 10th day of August 1960, that Herbert Sharfman will preside at the hearing in the above-entitled proceeding which is hereby scheduled to commence on October 26, 1960, in Washington, D.C.

Released: August 11, 1960.

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL] BEN F. WAPLE,

Acting Secretary.

[F.R. Doc. 60-7691; Filed, Aug. 16, 1960; 8:50 a.m.]

[Docket Nos. 13747, 13748; FCC 60M-1382]

OREGON TELEVISION, INC., AND WILLAMETTE-LAND TELEVISION, INC.

Order Scheduling Hearing

In reapplications of Oregon Television, Inc., Salem, Oregon, Docket No. 13747, File No. BPCT-2611; Willamette-Land Television, Inc., Salem, Oregon, Docket No. 13748, File No. BPCT-2651; for construction permits for new television broadcast stations (Channel 3).

It is ordered, This 10th day of August 1960, that Charles J. Frederick will preside at the hearing in the above-entitled proceeding which is hereby scheduled to commence on October 19, 1960, in Washington, D.C.

Released: August 11, 1960.

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL] BEN F. WAPLE,

Acting Secretary.

[F.R. Doc. 60-7692; Filed, Aug. 16, 1960; 8:50 a.m.]

[Docket Nos. 13745, 13746; FCC 60M-1380]

RADIO STATION WHCC (WHCC) AND ALUMINUM CITIES BROADCASTING CO. (WGAP)

Order Scheduling Hearing

In re applications of Kenneth D. Fry and Margaret F. Fry, d/b as Radio Station WHCC (WHCC), Waynesville, North Carolina, Docket No. 13745, File No. BP-12615; Harry C. Weaver and Frank H.

Corbett, a Limited Partnership, d/b as Aluminum Cities Broadcasting Company (WGAP), Maryville, Tennessee, Docket No. 13746, File No. BP-12642; for construction permits.

It is ordered, This 10th day of August 1960, that Isadore A. Honig will preside at the hearing in the above-entitled proceeding which is hereby scheduled to commence on October 26, 1960, in Wash-

ington, D.C.

Released: August 11, 1960.

FEDERAL COMMUNICATIONS COMMISSION,

BEN F. WAPLE, [SEAL] Acting Secretary.

[F.R. Doc. 60-7694; Filed, Aug. 16, 1960; 8:50 a.m.]

[Docket No. 13743; FCC 60M-1376]

S & S BROADCASTING CO. (WTAQ)

Order Scheduling Hearing

In re application of S & S Broadcasting Co. (WTAQ), La Grange, Illinois, Docket No. 13743, File No. BP-12781; for construction permit.

It is ordered, This 10th day of August 1960, that Elizabeth C. Smith will preside at the hearing in the above-entitled proceeding which is hereby scheduled to commence on October 26, 1960, in Washington, D.C.

Released: August 11, 1960.

FEDERAL COMMUNICATIONS. COMMISSION,

BEN F. WAPLE, [SEAL] Acting Secretary.

[F.R. Doc. 60-7697; Filed, Aug. 16, 1960; 8:50 a.m.]

[Docket Nos. 13749-13753; FCC 60M-1381]

ROLLINS BROADCASTING, INC., ET AL.

Order Scheduling Hearing

In re applications of Rollins Broadcasting, Inc., Wilmington, Delaware, Docket No. 13749, File No. BPCT-2583; The Wilmington Television Co., Inc., Wilmington, Delaware, Docket No. 13750, File No. BPCT-2603; WHYY, Inc., Wilmington, Delaware, Docket No. 13751, File No. BPCT-2634; Metropolitan Broadcasting Corporation, Wilmington, Delaware, Docket No. 13752, File No. BPCT-2715; National Telefilm Associates, Inc., Wilmington, Delaware, Docket No. 13753, File No. BPCT-2769; for construction permits for new television broadcast stations (Channel 12).

It is ordered, This 10th day of August 1960, that Walther W. Guenther will preside at the hearing in the aboveentitled proceeding which is hereby scheduled to commence on October 10, 1960, in Washington, D.C.

Released: August 11, 1960.

FEDERAL COMMUNICATIONS COMMISSION.

BEN F. WAPLE [SEAL] Acting Secretary.

[F.R. Doc. 60-7696; Filed, Aug. 16, 1960; 8:50 a.m.]

Part I-No. 160-4

[Docket No. 9186 etc.; FCC 60M-1383]

MRS. JANE RASCOE ET AL.

Order Scheduling Hearing

In re applications of Mrs. Jane Rascoe, Corpus Christi, Texas, Docket No. 9186, File No. BP-6784; Uvalde Broadcasters, Inc., Port Lavaca, Texas, Docket No. 13738, File No. BP-9365; Lewis O. Selbert, Port Lavaca, Texas, Docket No. 13739, File No. BP-13832; for construction permits.

It is ordered, This 10th day of August 1960, that Thomas H. Donahue will preside at the hearing in the above-entitled proceeding which is hereby scheduled to commence on October 26, 1960, in Wash-

ington, D.C.

Released: August 11, 1960.

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL]

BEN F. WAPLE, Acting Secretary.

[F.R. Doc. 60-7695; Filed, Aug. 16, 1960; 8:50 a.m.]

[Docket Nos. 13711-13736; FCC 60M-1378]

TRIANGLE PUBLICATIONS, INC. (WNHC) ET AL.

Order Scheduling Hearing

In re applications of Triangle Publications, Inc. (WNHC), Radio and Television Division, New Haven, Connecticut, Docket No. 13711, File No. BP-12107; et al., Docket Nos. 13712, 13713, 13714, 13715, 13716, 13717, 13718, 13719, 13720, 13721, 13722, 13723, 13724, 13725, 13726, 13727, 13728, 13729, 13730, 13731, 13732, 13733, 13734, 13735, 13736; for construction permits.

It is ordered, This 10th day of August 1960, that David I. Kraushaar will preside at the hearing in the above-entitled proceeding which is hereby scheduled to commence on November 7, 1960, in Washington, D.C.

Released: August 11, 1960.

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL]

BEN F. WAPLE, Acting Secretary.

[F.R. Doc. 60-7698; Filed, Aug. 16, 1960; 8:50 a.m.]

[Docket Nos. 13740-13742; FCC 60M-1379]

WBIZ, INC. (WBIZ) ET AL.

Order Scheduling Hearing

In re applications of WBIZ, Incorporated (WBIZ), Eau Claire, Wisconsin, Docket No. 13740, File No. BP-12458; Northwest Broadcasting Company (KVFD), Fort Dodge, Iowa, Docket No. 13741, File No. BP-12679; Franklin Broadcasting Company (WMIN), St. Paul, Minnesota, Docket No. 13742, File No. BP-13270; for construction permits.

It is ordered, This 10th day of August 1960, that Annie Neal Huntting will preside at the hearing in the above-entitled proceeding which is hereby scheduled to

commence on November 1, 1960, in Washington, D.C.

Released: August 11, 1960.

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL] BEN F. WAPLE,

Acting Secretary.

[F.R. Doc. 60-7699; Filed, Aug. 16, 1960; 8:50 a.m.]

[Docket Nos. 13225 etc.; FCC 60M-1367]

WPET, INC. (WPET) ET AL.

Order Scheduling Prehearing Conference

In re applications of WPET, Incorporated (WPET), Greensboro, North Caroline, Docket No. 13225, File No. BP-11742; Seven Locks Broadcasting Company, Potomac-Cabin John, Maryland, Docket No. 13227, File No. BP-11877; Radio Virginia, Incorporated (WXGI), Richmond, Virginia, Docket No. 13229, File No. BP-12228; The Tidewater Broadcasting Company, Inc., Smithfield, Virginia, Docket No. 13243, File No. BP-12814; Caba Broadcasting Corporation, Baltimore, Maryland, Docket No. 13245, File No. BP-12962; Rossmoyne Corporation, Lebanon, Pennsylvania, Docket No. 13247, File No. BP-13110; Edwin R. Fischer, Newport News, Vir-ginia, Docket No. 13248, File No. BP-13114; Mary Cobb and Richard S. Cobb d/b as Tenth District Broadcasting Company, McLean, Virginia, Docket No. 13251, File No. BP-13153; for construction permits.

The Hearing Examiner having under consideration the further procedure in the above-styled proceeding; and

It appearing that the applications above named were severed from a larger consolidated proceeding by Memoran-dum Opinion and Order of the Commission dated July 27, 1960;

It is ordered, This 9th day of August 1960, that a hearing conference will be held at the offices of the Commission in Washington, D.C., at 9 a.m., on September 1, 1960, to discuss the procedure to be followed in the further hearing in this proceeding and to consider such other matters as may seem appropriate.

Released: August 10, 1960.

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL] BEN F. WAPLE,

Acting Secretary.

[F.R. Doc. 60-7700; Filed, Aug. 16, 1960; 8:50 a.m.]

CIVIL AERONAUTICS BOARD

[Docket 11129]

FRONTIER AIRLINES, INC.

Notice of Prehearing Conference

Notice is hereby given that a prehearing conference is assigned to be held on August 24, 1960, at 10:00 a.m., e.d.s.t., in Room 725, Universal Building, Connecticut and Florida Avenues NW., Washington, D.C., before Examiner Walter W. Bryan. This investigation is limited to

issues bearing directly on the question of deletion of segment 13 from Frontier's route 73 and the addition of Columbus, Nebraska as an intermediate point on Frontier's segment 12. See Order No. E-15636.

Dated at Washington, D.C., August 12, 1960.

[SEAL]

FRANCIS W. BROWN, Chief Examiner.

[F.R. Doc. 60-7679; Filed, Aug. 16, 1960; 8:48 a.m.)

[Docket 11183]

SEABOARD & WESTERN AIRLINES, INC.; ENFORCEMENT

Notice of Postponement of Hearing

In the matter of the complaint of Trans World Airlines, Inc. v. Seaboard & Western Airlines, Inc.

Notice is hereby given that the hearing in the above-entitled proceeding heretofore scheduled to be held on August 23, 1960, is assigned to be held on October 13, 1960, at 10:00 a.m., e.d.s.t., in Room 725, Universal Building, Connecticut and Florida Avenues NW., Washington, D.C., before Examiner Ferdinand D. Moran.

Dated at Washington, D.C., August 11, 1960.

[SEAL]

Francis W. Brown, Chief Examiner.

[F.R. Doc. 60-7680; Filed, Aug. 16, 1960; 8:49 a.m.]

FEDERAL RESERVE SYSTEM MARINE CORP.

Notice of Receipt of Application

Notice is hereby given that the Board of Governors of the Federal Reserve System has received an application by The Marine Corporation, Milwaukee, Wisconsin, pursuant to section 3(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842), for the Board's prior approval of the acquisition by that Corporation of 80 percent or more of the voting shares of Wisconsin State Bank, Milwaukee, Wisconsin.

In determining whether to approve this application the Board is required by said Act to take into consideration the following factors: (1) The financial history and condition of the company and the bank concerned; (2) their prospects: (3) the character of their management; (4) the convenience, needs, and welfare of the communities and the area concerned; and (5) whether or not the effect of such acquisition would be to expand the size or extent of the bank holding company system involved beyond limits consistent with adequate and sound banking, the public interest, and the preservation of competition in the field of banking.

Not later than thirty days after the publication of this notice in the FEDERAL

REGISTER, comments and views regarding the proposed acquisition may be filed with the Board. Communications should be addressed to the Secretary, Board of Governors of the Federal Reserve System, Washington 25, D.C.

Dated at Washington, D.C., this 11th day of August 1960.

By order of the Board of Governors.

[SEAL] KENNETH A. KENYON. Assistant Secretary.

[F.R. Doc. 60-7656; Filed, Aug. 16, 1960; 8:45 a.m.]

HOUSING AND HOME FINANCE AGENCY

Office of the Administrator

REGIONAL DIRECTOR OF COMMU-NITY FACILITIES ACTIVITIES, RE-GION II (PHILADELPHIA)

Redelegation of Authority With Respect to Housing for Educational Institutions

The Regional Director of Community Facilities Activities, Region II (Philadelphia), with respect to the program of loans for housing for educational institutions authorized under Title IV of the Housing Act of 1950, as amended (64 Stat. 77, as amended, 12 U.S.C. 1749-1749c), is hereby authorized within such Region to execute loan agreements and amendments thereof involving loans for student and/or faculty housing and for other educational facilities.

This redelegation supersedes the redelegation effective May 14, 1960 (25 F.R.

4337, May 14, 1960).

(62 Stat. 1283 (1948), as amended by 64 Stat. 80 (1950), 12 U.S.C. 1701c; Housing and Home Finance Administrator's delegation effective July 1, 1960 (25 F.R. 5801, June 23, 1960))

Effective as of the 1st day of July 1960.

CHESTER H. KNOWLES, [SEAL] Regional Administrator, Region II.

[F.R. Doc. 60-7663; Filed, Aug. 16, 1960; 8:46 a.m.]

REGIONAL DIRECTOR OF COMMU-NITY FACILITIES ACTIVITIES, RE-GION II (PHILADELPHIA)

Redelegation of Authority With Respect to Public Facility Loans

The Regional Director of Community Facilities Activities, Region II (Philadelphia), with respect to the public facility loans program authorized under section 202 of Public Law 345, 84th Congress, as amended (69 Stat. 643, as amended, 42 U.S.C. 1492), is hereby authorized within such Region to enter into contracts and amendments thereof with public agencies involving loans for essential public works or facilities.

This redelegation supersedes the redelegation effective May 14, 1960 (25 F.R. 4337, May 14, 1960).

(62 Stat. 1283 (1948), as amended by 64 Stat. 80 (1950), 12 U.S.C. 1701c; Housing and Home Finance Administrator's delegation effective July 1, 1960 (25 F.R. 5801, June 23, 1960))

Effective as of the 1st day of July 1960.

CHESTER H. KNOWLES, Regional Administrator, Region II.

[F.R. Doc. 60-7664; Filed, Aug. 16, 1960; 8:46 a.m.]

REGIONAL DIRECTOR OF COMMU-NITY FACILITIES ACTIVITIES, RE-GION II (PHILADELPHIA)

Redelegation of Authority With Respect to Public Works Planning

The Regional Director of Community Facilities Activities, Region II (Philadelphia), with respect to the program of advances for public works planning authorized under section 702 of the Housing Act of 1954 (68 Stat. 641), as amended by section 112 of the Housing Amendments of 1955 (69 Stat. 641), 40 U.S.C. 462, is hereby authorized within such Region:

1. To execute offers and amendments thereof to public agencies involving advances to aid in planning proposed pub-

lic works:

2. To determine the amount of partial repayment due if the public agency undertakes construction of only a portion of the planned public work:

3. To approve the planning data submitted by public agencies in accordance with contracts resulting from acceptance of offers under subparagraph 1 above;

4. To authorize payments under any contracts resulting from acceptance of offers under subparagraph 1 above.

This redelegation supersedes the redelegation effective May 14, 1960 (25 F.R. 4337, May 14, 1960).

(62 Stat. 1283 (1948), as amended by 64 Stat. 80 (1950), 12 U.S.C. 1701c; Housing and Home Finance Administrator's delegation effective July 1, 1960 (25 F.R. 5801, June 23, 1960)

Effective as of the 1st day of July 1960.

[SEAL] CHESTER H. KNOWLES Regional Administrator, Region II.

[F.R. Doc. 60-7665; Filed, Aug. 16, 1960; . 8:46 a.m.]

INTERSTATE COMMERCE COMMISSION

FOURTH SECTION APPLICATIONS FOR RELIEF

AUGUST 12, 1960.

Protests to the granting of an application must be prepared in accordance with Rule 40 of the general rules of practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the Federal Register.

LONG-AND-SHORT HAUL

FSA No. 36477: Substituted service-T&NO for Herrin Transportation Company. Filed by J. D. Hughett, Agent (No. 28), for interested carriers. Rates on property loaded in trailers and transported on railroad flat cars between Dallas, Tex., on the one hand, and Beaumont and Houston, Tex., on the other, on traffic originating at or destined to such points or points beyond as described in the application.

Grounds for relief: Motor-truck competition.

Tariff: Supplement 1 to Southwestern Motor Freight Bureau tariff MF-I.C.C. 321.

FSA No. 36478: Substituted service—T&NO for Lee Way Motor Freight, Inc. Filed by J. D. Hughett, Agent (No. 29), for interested carriers. Rates on property loaded in trailers and transported on railroad flat cars between Dallas, Tex., and Houston, Tex., on traffic originating at or destined to such points or points beyond as described in the application. Grounds for relief: Motor-truck competition.

Tariff: Supplement 1 to Southwestern Motor Freight Bureau tariff MF-I.C.C. 321.

FSA No. 36479: Substituted service—CRI&P for Riss & Company, Inc. Filed by J. D. Hughett, Agent (No. 30), for interested carriers. Rates on property loaded in trailers and transported on railroad flat cars between Oklahoma City, Okla., and Dallas, Tex., on traffic originating at or destined to such points or points beyond as described in the application.

Grounds for relief: Motor-truck com-

Tariff: Supplement 1 to Southwestern Motor Freight Bureau tariff MF-I.C.C. 321.

FSA No. 36480: Plaster and related articles—Alameda and Albuquerque, N. Mex., to the Southwest. Filed by Southwestern Freight Bureau, Agent (No. B-7864), for interested rail carriers. Rates on plaster, gypsum wallboard, and related articles, in carloads, as described in the application, from Alameda and Albuquerque, N. Mex., to points in southwestern territory, also Mississippi River crossings.

Grounds for relief: Motor-truck competition.

Tariff: Supplement 96 to Southwestern Freight Bureau tariff I.C.C. 4149.

FSA No. 36481: Substituted service—CRI&P for T.I.M.E., Incorporated. Filed by J. D. Hughett, Agent (No. 31), for interested carriers. Rates on property loaded in trailers and transported on railroad flat cars between Memphis, Tenn., and Oklahoma City, Okla., on traffic originating at or destined to such points or points beyond as described in the application.

Grounds for relief: Motor-truck competition.

Tariff: Supplement 1 to Southwestern Motor Freight Bureau tariff MF-I.C.C. 321.

By the Commission.

[SEAL] HAROLD D. McCoy, Secretary.

[F.R. Doc. 60-7667; Filed, Aug. 16, 1960; 8:46 a.m.]

[Notice 134]

MOTOR CARRIER ALTERNATE ROUTE DEVIATION NOTICES

AUGUST 12, 1960.

The following letter-notices of proposals to operate over deviation routes for operating convenience only with service at no intermediate points have been filed with the Interstate Commerce Commission, under the Commission's Deviation Rules Revised, 1957 (49 CFR 211.1(c)(8)) and notice thereof to all interested persons is hereby given as provided in such rules (49 CFR 211.1 (d)(4)).

Protests against the use of any proposed deviation route herein described may be filed with the Interstate Commerce Commission in the manner and form provided in such rules (49 CFR 211.1(e) at any time but will not operate to stay commencement of the proposed operations unless filed within 30 days from the date of publication.

Successively filed letter-notices of the same carrier under the Commission's Deviation Rules Revised, 1957, will be numbered consecutively for convenience in identification and protests if any should refer to such letter-notices by number.

MOTOR CARRIERS OF PROPERTY

No. MC-879 (Deviation No. 2), SERV-ICE LINES, INC., 514 South Fourth Street, St. Louis 2, Mo., filed August 4, 1960. Carrier proposes to operate as a common carrier, by motor vehicle of general commodities, with certain exceptions, over a deviation route as follows: From junction Kentucky Highway 85 and U.S. Highway 41-A over Kentucky Highway 85 to Providence, Ky., thence over Kentucky Highway 109 to Hopkinsville, Ky., and return over the same route. for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities over a pertinent service route as follows: From junction of Kentucky Highway 85 and U.S. Highway 41-A to Madisonville, Ky., thence over U.S. Highway 41 to Hopkinsville, and return over the same route.

No. MC-2229 (Deviation No. 3), RED BALL MOTOR FREIGHT, INC. P.O. Box 3148, Dallas, Tex., filed August 5, 1960. Carrier proposes to operate as a common carrier, by motor vehicle of general commodities, with certain exceptions over a deviation route as follows: From Dallas, Tex., over U.S. Highway 77 to junction Texas Highway 24 near Denton, Tex., thence over Texas Highway 24 to Decatur, Tex., and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities over a pertinent service route as follows: From Dallas over Texas Highway 114 to Rhome, Tex., thence over U.S. Highway 287 to Decatur, and return over the same route.

No. MC-2306 (Deviation No. 6), STRICKLAND MOTOR FREIGHT

LINES, INC., P.O. Box 5689 Dallas 2, Tex., filed July 25, 1960. Carrier proposes to operate as a common carrier, by motor vehicle of general commodities. with certain exceptions, over a deviation route as follows: From St. Louis, Mo., over U.S. Highway 40 to junction U.S. Highway 42, thence over U.S. Highway 42 to Delaware, Ohio, and junction U.S. Highway 36, thence over U.S. Highway 36 to junction Interstate Highway 71 (near Berkshire, Ohio), thence over Interstate Highway 71 to junction Ohio Highway 18, thence over Ohio Highway 18 to junction U.S. Highway 21, and thence over U.S. Highway 21 to Cleveland, Ohio, and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities over a pertinent service route as follows: From St. Louis over U.S. Highway 66 to junction Illinois Highway 48, thence over Illinois Highway 48 to junction U.S. Highway 54, thence over U.S. Highway 54 to Gilman, Ill., thence over U.S. Highway 24 to Napoleon, Ohio, thence over U.S. Highway 6 to Lorain, Ohio, thence over Ohio Highway 57 to junction Ohio Highway 254, thence over Ohio Highway 254 to Cleveland, Ohio, and return over the same route.

No. MC-2894 (Deviation No. 3), RED STAR TRANSIT COMPANY, INC., 7950 Dix Avenue, Detroit 9, Mich., filed August 4, 1960. Carrier proposes to operate as a common carrier, by motor vehicle of general commodities, with certain exceptions, over a deviation route as follows: From Toledo, Ohio over U.S. Highway 75 to junction U.S. Highway 25 and return over the same route for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities over pertinent service routes as follows: From Toledo over U.S. Highways 24 and 25 to Detroit, Mich., and return over the same routes.

No. MC-8902 (Deviation No. 4), THE WESTERN EXPRESS COMPANY, 1277 East 40th Street, Cleveland 14, Ohio, filed July 12, 1960. Carrier proposes to operate as a common carrier, by motor vehicle of general commodities, with certain exceptions, over a deviation route as follows: From Buffalo, N.Y., over Interstate Highway 90 (New York Thruway, Pennsylvania Thruway, Ohio North-South Freeway) to junction Euclid Spur, thence over Euclid Spur to junction Ohio Highway 2, thence over Ohio Highway 2 to Cleveland, Ohio and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities over pertinent service routes as follows: From Cleveland, Ohio over Ohio Highway 85 (now U.S. Highway 6) to junction Ohio Highway 91, thence over Ohio Highway 91 to junction Ohio Highway 84, thence over Ohio Highway 84 to Madison, Ohio, thence over Ohio Highway 166 to junc-FREIGHT tion Ohio Highway 307, thence over Ohio

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Highway 307 to Austinburg, Ohio, thence over Ohio Highway 45 to Munson Hill, Ohio, thence over unnumbered highway to Ashtabula, Ohio, thence over Ohio Highway 84 to Kingsville, Ohio, thence over Ohio Highway 90 to North Kingsville, thence over U.S. Highway 20 via Erie, Pa., to Alden, N.Y.; from junction U.S. Highways 20 and 62 near Big Tree, N.Y. over U.S. Highway 62 to Niagara Falls. N.Y.: from Cleveland to Erie as specified above, thence over Pennsylvania Highway 5 to Pennsylvania-New York State Line, thence over New York Highway 5 to junction U.S. Highway 20; from Cleveland over U.S. Highway 20 to North Kingsville, Ohio; and from Cleveland over Ohio Highway 2 to Willoughby. Ohio and return over the same routes.

No. MC-10761 (Deviation No. 5). TRANSAMERICAN FREIGHT LINES. INC., 1700 North Waterman Avenue, Detroit 9, Mich., filed July 28, 1960. Carrier proposes to operate as a common carrier, by motor vehicle of general commodities, with certain exceptions, over a deviation route as follows: From Columbus, Ohio over Interstate Highway 71 to its junction with Ohio Highway 18 and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities over a pertinent service route as follows: From Columbus, Ohio over U.S. Highway 23, to Delaware, Ohio, and thence over U.S. Highway 42 to Medinas, Ohio, and thence over Ohio Highway 18 to Akron, Ohio, and return over the same route.

No. MC-10761 (Deviation No. 6), TRANSAMERICAN FREIGHT LINES. INC., 1700 North Waterman Avenue, Detroit 9, Mich., filed August 1, 1960. Carrier proposes to operate as a common carrier, by motor vehicle of general commodities, with certain exceptions, over a deviation route as follows: From Toledo. Ohio over Interstate Highway 75 to its junction with U.S. Highways 24 and 25 and return over the same routes, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities over pertinent service routes as follows: From Toledo over U.S. Highways 24 and 25 to Detroit, Mich., and return over the same routes.

No. MC-10928 (Deviation No. 7), SOUTHERN-PLAZA EXPRESS INC., P.O. Box 10572, Dallas 7, Texas, filed August 1, 1960. Carrier proposes to operate as a common carrier, by motor vehicle of general commodities, with certain exceptions, over a deviation route as follows: From Centerville, Tex., over Texas Highways 7 and 103 to Lufkin, Tex., thence over U.S. Highway 69 to Beaumont, Tex., and return over the same route for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities over a pertinent service route as follows: From Centerville over U.S. Highway 75 to Houston, Tex., thence over U.S. Highway 90 to Beaumont, and return over the same route.

No. MC-13123 (Deviation No. 9), WILSON FREIGHT FORWARDING COMPANY, 3636 Follett Avenue, Cincinnati 23, Ohio, filed July 29, 1960. Carrier proposes to operate as a common carrier, by motor vehicle of general commodities, with certain exceptions, over deviation routes as follows: (A) From. Cincinnati, Ohio over Interstate Highway 75 to Dayton, Ohio; (B) from Kirkersville, Ohio over Interstate Highway 70 (also designated U.S. Highway 40) to Brownsville, Ohio; (C) from the junction of Interstate Highway 75 and U.S. Highway 36, one mile east of Piqua, Ohio, over Interstate Highway 75, to junction U.S. Highway 25 and Ohio Highway 66, approximately 3½ miles south of Troy, Ohio; (D) from the junction of Ohio Highway 444 and Interstate Highway 70, near Medway, Ohio, over Interstate Highway 70 to junction U.S. Highway 25, approximately two miles south of Vandalia, Ohio, and return over the same routes, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities over pertinent service routes as follows: From Cincinnati over U.S. Highway 25 to Dayton; from Cincinnati over Ohio Highway 4 to Dayton; from Cincinnati over U.S. Highway 42 to Zenia, Ohio, and thence over U.S. Highway 35 to Dayton; from Kirkersville over Ohio Highway 440 to Brownsville; from junction U.S. Highway 25 and Ohio Highway 66 over Ohio Highway 66 to Piqua, and thence over U.S. Highway 36 to its junction with Interstate Highway 75; and from junction of Ohio Highway 444 and Interstate Highway 70 over Ohio Highway 444 to Dayton, and thence over U.S. Highway 25 to junction Interstate Highway 70 and return over the same routes.

No. MC-29859 (Deviation No. 3), BRINKER TRUCK LINE, INC., 210 Poplar Street, St. Louis, Mo., filed August 1, 1960. Carrier proposes to operate as a common carrier, by motor vehicle of general commodities, with certain exceptions, over a deviation route as follows: From Quincy, Ill., over Illinois Highway 57 to Pittsfield, Ill., and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities between the deviation points over a pertinent service route as follows: From Quincy over Illinois Highway 96 to Junction U.S. Highway 36, thence over U.S. Highway 36 to Pittsfield, and return over the same route.

No. MC-30311 (Deviation No. 3), FREIGHT INC., 1350 Kelly Avenue, Akron, Ohio, filed August 4, 1960. Carrier proposes to operate as a common carrier, by motor vehicle of general commodities, with certain exceptions, over a deviation route as follows: From the Ohio-Indiana State line over Indiana Toll Road to Hammond, Ind., thence over Hammond city streets to Chicago, Ill., and return over the same route for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently au-

thorized to transport the same commodities over a pertinent service route as follows: From the Ohio-Indiana State line over U.S. Highway 30 to Valparaiso, Ind., thence over Indiana Highway 130 to junction U.S. Highway 6, thence over U.S. Highway 6 to junction U.S. Highway 41, thence over U.S. Highway 41 to Chicago, and return over the same route.

No. MC-30605 (Deviation No. 5), THE SANTA FE TRAIL TRANSPORTATION COMPANY, 1413 Railway Exchange, 80 East Jackson Boulevard, Chicago 4, Ill., filed August 1, 1960. Carrier proposes to operate as a common carrier, by motor vehicle of general commodities, with certain exceptions, over a deviation route as follows: From Omaha, Nebr., over Interstate Highway 80 to junction U.S. Highway 6 west of Lincoln, Nebr., and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities over a pertinent service route as follows: From Omaha over U.S. Highway 6 to Lincoln, Nebr., thence over U.S. Highway 77 via Beatrice, Nebr., to Randolph, Kans., thence over Kansas Highway 13 to Manhattan, Kans., thence over U.S. Highway 40 to Salina, Kans., thence over U.S. Highway 81 to South Haven, Kans., thence over U.S. Highway 177 to junction U.S. Highway 77. and thence over U.S. Highway 77 to Oklahoma City, Okla., and return over the same route.

No. MC-32474 (Deviation No. 1) KEESHIN TRANSPORT SYSTEM, INC., 321 Wabash Street, Toledo 2, Ohio, filed August 5, 1960. Carrier proposes to operate as a common carrier, by motor vehicle of general commodities, with certain exceptions, over a deviation route as follows: From Buffalo, N.Y., over Interstate Highway 90 to Cleveland, Ohio and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities over pertinent service routes as follows: From Cleveland over U.S. Highway 20 to Buffalo; from Cleveland over Ohio Highway 84 to junction Ohio Highway 534, thence over Ohio Highway 534 to Geneva, Ohio, and thence over the above specified routes to Buffalo; from Cleveland over U.S. Highway 20 to junction Pennsylvania Highway thence over Pennsylvania Highway 5 to the Pennsylvania-New York-State line. and thence over New York Highway 5 to Buffalo, and return over the same routes.

No. MC-65660 (Deviation No. 1), WARNER & SMITH MOTOR FREIGHT, INC., Walnut and Shenango Streets, Sharpsville, Pa., filed July 28, 1960. Carrier proposes to operate as a common carrier, by motor vehicle of general commodities, with certain exceptions, over a deviation route as follows: From Painesville, Ohio over Ohio Highway 44 to junction Interstate Highway 90, thence over Interstate Highway 90 to junction U.S. Highway 19, and thence over U.S. Highway 19 to Erie, Pa., and return over the same routes, for operating convenience only, serving no inter-

mediate points. The notice indicates that the carrier is presently authorized to transport the same commodities over a pertinent service route as follows: From Cleveland, Ohio over U.S. Highway 20 to North Kingsville, Ohio, and thence over U.S. Highway 20 to Erie, and return over the same routes.

No. MC-104004 (Deviation No. 11), ASSOCIATED TRANSPORT, INC., 380 Madison Avenue, New York 17, N.Y., filed July 27, 1960. Carrier proposes to operate as a common carrier, by motor vehicle, of general commodities, with certain exceptions, over a deviation route as follows: From the junction of U.S. Highway 60 and Virginia Highway 42 over Virginia Highway 42 to junction Virginia Highway 254, and thence over Virginia Highway 254 to Staunton and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities over a pertinent service route as follows: From the junction of U.S. Highway 60 and Virginia Highway 42 over U.S. Highway 60, to Lexington, Va., thence over U.S. Highway 11 to Staunton, and return over the same route.

No. MC-106943 (Deviation No. 2), EASTERN EXPRESS, INC., 1450 Wabash Avenue, Terre Haute, Ind., filed July 12, 1960. Carrier proposes to operate as a common carrier, by motor vehicle of general commodities, with certain exceptions, over a deviation route as follows: From Columbus, Ohio over Ohio Highway 3 to Sunbury, Ohio, thence over Ohio Highway 61 to Mt. Gilead, Ohio, thence over U.S. Highway 42 to Mansfield, Ohio, thence over By-Pass U.S. Highway 30 to junction Interstate Highway 71, thence over Interstate Highway 71 to junction U.S. Highway 250, thence over U.S. Highway 250 to junction U.S. Highway 30, thence over U.S. Highway 30 to Canton, Ohio, thence over U.S. Highway 62 to junction Ohio Highway 164, thence over Ohio Highway 164 to junction Ohio Highway 7, thence over Ohio Highway 7 to North Lima Interchange of the Ohio Turnpike, thence over the Ohio Turnpike and the Pennsylvania Turnpike to the Carlisle Interchange, thence over U.S. Highway 11 to Harrisburg, Pa., and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities over a pertinent service route as follows: From Lafayette, Ohio over U.S. Highway 40 via Cambridge, Ohio to Washington, Pa., thence over U.S. Highway 19 to Pittsburgh, Pa., also from Cambridge over U.S. Highway 22 to Steubenville, Ohio, thence over Ohio Highway 7 to East Liverpool, Ohio, thence over Ohio Highway 39 to Ohio-Pennsylvania State Line, thence over Pennsylvania Highway 68 to Rochester, Pa., thence over Pennsylvania Highway 88 to Pittsburgh, and thence over U.S. Highway 22 to Harrisburg, and return over the same route.

MOTOR CARRIERS OF PASSENGERS

No. MC-1501 (Deviation No. 54) THE GREYHOUND CORPORATION, 2600 Hamilton Avenue, Cleveland 14, Ohio, filed July 26, 1960. Carrier proposes to operate as a common carrier, by motor vehicle of passengers over a deviation route as follows: From Columbus, Ohio over Interstate Highway 71 to junction U.S. Highway 62 and Ohio Highway 3, approximately two miles north of Harrisburg, Ohio and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport passengers over a pertinent service route as follows: From Columbus over U.S. Highway 62 to Washington Court House, Ohio, thence over U.S. Highway 22 to Cincinnati, Ohio; from the junction of Old U.S. Highway 62 and relocated U.S. Highway 62, approximately one-half mile north of Harrisburg, over relocated U.S. Highway 62 to junction Old U.S. Highway 62, approximately one-half mile south of Harrisburg, and return over the same routes.

No. MC-102676 (Deviation No. 1), WORCESTER BUS CO., INC., 287 Grove Street, Worcester, Mass. Carrier's representative Arthur A. Wentzell, 539 Hartford Turnpike, Shrewsbury, Mass. Carrier proposes to operate as a common carrier, by motor vehicle of passengers, over a deviation route as follows: From the above-named carrier's terminal in Worcester, Mass., over city streets to junction Massachusetts Highway 9. thence over Massachusetts Highway 9 to junction with Massachusetts Turnpike in Framingham, Mass., thence over Massachusetts Turnpike to its terminus in Weston, Mass., or its junction with Massachusetts Highway 128, thence over Massachusetts Highway 128 to junction U.S. Highway 1 in Lynnfield, Mass., thence over U.S. Highway 1 to junction Interstate Highway 95 near Danvers. Mass., thence over Interstate Highway 95 to the Massachusetts-New Hampshire State Line, thence over Interstate Highway 95 to Exit No. 1 (Hampton, N.H.), thence over New Hampshire Highway 101-E to junction U.S. Highway 1-A. thence over U.S. Highway 1-A to Hampton Beach, N.H., and return over the same routes, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport passengers in special operations in round trip service during the season extending from the first of May to the thirtieth day of September both inclusive of each year over pertinent service routes as follows: Beginning and ending at Worcester. Mass., and extending to Hampton Beach. N.H., as follows: From Worcester over Massachusetts Highway 110 to Lowell, Mass., thence over Massachusetts Highway 133 to junction Massachusetts Highway 125, thence over Massachusetts Highway 125 to Haverhill, Mass., thence over Massachusetts Highway 110 to junction U.S. Highway 1, thence over U.S. Highway 1 to Hampton, N.H., thence over New Hampshire Highway 101-E to junction New Hampshire Highway 1-A, merce Building, Indianapolis 4, Ind. Au-

thence over New Hampshire Highway 1-A to Hampton Beach, and return with no pickup or discharge of passengers en

No. MC-109598 (Deviation No. 2), No. MC-110595 (Sub-No. 4) (Deviation No. CAROLINA SCENIC STAGES. 1) COASTAL STAGES CORPORATION. 217 North Converse Street, Spartanburg, S.C., filed July 28, 1960. Carriers propose to operate as common carriers, by motor vehicle of passengers over a deviation route as follows: From Fort Jackson, S.C. over South Carolina Highway 760 to junction U.S. Highway 76, thence over U.S. Highway 76 to junction U.S. Highway 521 and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carriers are jointly transporting passengers over pertinent service routes as follows: (Carolina Scenic Stages) From Fort Jackson over South Carolina Highway 12 to junction U.S. Highway 601, thence over U.S. Highway 601 to junction U.S. Highway 1, thence over U.S. Highway 1 to Camden, S.C.; (Coastal Stages Corporation) from Camden, S.C. over U.S. Highway 521 to junction South Carolina Highway 12, thence over South Carolina Highway 12 to junction South Carolina Highway 26, thence over South Carolina Highway 26 to junction South Carolina Highway 38, thence over South Carolina Highway 38 to junction South Carolina Highway 43, thence over South Carolina 43 to junction U.S. Highway 521, thence over U.S. Highway 521 to junction U.S. Highway 76, and return over the same routes.

By the Commission.

[SEAT.] HAROLD D. McCoy,

Secretary.

[F.R. Doc. 60-7668; Filed, Aug. 16, 1960; 8:47 a.m.]

[Notice 337]

MOTOR CARRIER APPLICATIONS AND CERTAIN OTHER PROCEEDINGS

AUGUST 12, 1960.

The following publications are governed by the Interstate Commerce Commission's general rules of practice including special rules (49 CFR 1.241) governing notice of filing of applications by motor carriers of property or passengers or brokers under sections 206, 209 and 211 of the Interstate Commerce Act and certain other proceedings with respect thereto.

All hearings and pre-hearing conferences will be called at 9:30 o'clock a.m., United States standard time (or 9:30 o'clock a.m., local daylight saving time), unless otherwise specified.

APPLICATIONS ASSIGNED FOR ORAL HEAR-ING OR PRE-HEARING CONFERENCE

MOTOR CARRIERS OF PROPERTY

No. MC 82 (Sub No. 10), filed July 28, 1960. Applicant: BEST WAY OF INDI-ANA, INC., 10 Cherry Street, Terre Haute, Ind. Applicant's attorney: Ferdinand Born, 1017-19 Chamber of Com-

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thority sought to operate as a common carrier, by motor vehicle, over regular routes, transporting: General commodities, except those of unusual value, Classes A and B explosives, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment, between Mitchell, Ind. and Louisville, Ky., (a) From Mitchell, Ind. over Indiana Highway 60 to junction U.S. Highway 31W, thence over U.S. Highway 31W to Louisville, Ky., and return over the same route, serving no intermediate points, as an alternate route for operating convenience only, in connection with applicant's authorized regular route operations. (b) From Mitchell, Ind. over Indiana Highway 60 to junction U.S. Highway 31E, thence over U.S. Highway 31E to Louisville, Ky., and return over the same route, serving no intermediate points, as an alternate route for operating convenience only, in connection with applicant's authorized regular route operations. (c) From Mitchell, Ind., over Indiana Highway 60 to junction Interstate Highway 65, thence over Interstate Highway 65 to Louisville, Ky., and return over the same route, serving no intermediate points, as an alternate route for operating convenience only, in connection with applicant's authorized regular route operations.

Note: Applicant states it presently holds authority to operate between Indianapolis, Ind. and Louisville, Ky., and between Louisville, Ky. and Evansville, Ind., and that New Albany and Jeffersonville, Ind. are present points of service. Applicant also states no duplicate authority is sought.

HEARING: September 23, 1960, at the U.S. Court Rooms, Indianapolis, Ind., before Joint Board No. 155.

No. MC 4405 (Sub No. 358), filed June 6, 1960. Applicant: DEALERS TRAN-SIT. INC., 13101 South Torrence Avenue, Chicago 33, Ill. Applicant's attorney: James W. Wrape, Sterick Building, Memphis, Tenn. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: (a) Trailers, semi-trailers, trailer chassis and semi-trailer chassis, other than those designated to be drawn by passenger automobiles, in initial truckaway service, and (b) tank shells and tank bodies, from Uniontown, Pa., to all points in the United States, including Alaska, but excluding Hawaii.

HEARING: October 3, 1960, in Room 852, U.S. Custom House, 610 South Canal Street, Chicago, Ill., before Examiner Reece Harrison.

No. MC 5470 (Sub No. 14), filed July 18, 1960. Applicant: ERSKINE & SONS, INC., R.D. No. 1, Lowellville, Ohio. Applicant's attorney: Donald F. Billett, 718 Union National Bank Building, Youngstown, Ohio. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Bulk commodities, in dump trucks, from Allegheny County, Pa., to all points in Ohio, HEARING: October 3, 1960, at the

Offices of the Interstate Commerce Commission, Washington, D.C., before Examiner Harold P. Boss.

No. MC 7746 (Sub No. 104) (CORREC-TION), filed May 12, 1960, published

FEDERAL REGISTER, issue of July 20, 1960. Applicant: UNITED TRUCK LINES, INC., East 915 Springfield Avenue, Spokane 2, Wash. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Meat, meat products and meat by-products, dairy products, articles distributed by meat packing houses, and such commodities as are used by meat packers in the conduct of their business when destined to and for use by meat packers, as described in Sections A, B, C, and D of Appendix I to the report in Descriptions in Motor Carrier Certificates, 61 M.C.C. 209 and 766, between Nampa, Boise, Caldwell, and Twin Falls, Idaho and points within 17 miles of Twin Falls, on the one hand, and, on the other, points in California.

Note: The purpose of this republication is to add to the territorial description the portion reading "and points within 17 miles of Twin Falls", inadvertently omitted from previous publication.

HEARING: Remains as assigned September 22, 1960, at the Public Utilities Commission, State House, Boise, Idaho, before Examiner James A. McKiel.

No. MC 8989 (Sub No. 195), filed August 3, 1960. Applicant: HOWARD SOBER, INC., 2400 West St. Joseph Street, Lansing, Mich. Applicant's attorney: Albert F. Beasley, Investment Building, 15th and K Streets, NW., Washington 5, D.C. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Trucks, truck chassis, mixer bodies, in initial movements by the driveaway and truckaway methods from the site of the Willard Concrete Machinery Company within the Commercial Zone of Los Angeles, Calif. to all points in the United States, including Alaska, but excluding Hawaii.

HEARING: September 27, 1960, at the Federal Building, Los Angeles, Calif., before Examiner William E. Messer.

No. MC 9071 (Sub No. 3), filed June 28, 1960. Applicant: NATHAN STEIN-MAN. DAVID STEIN. Administrator. AND DAVID STEINMAN, a partnership, doing business as N. STEINMAN TRUCKING COMPANY, 310-312 Franklin Avenue, Scranton, Pa. Applicant's attorney: Emanuel Laster, Connell Building, Scranton 3, Pa. Authority sought to operate as a common carrier, by motor vehicle, over regular routes, transporting: General commodities, including articles of unusual value, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment, but excluding Classes A and B explosives, between Scranton, Pa., and Dunmore, Cresco, and Wilkes-Barre, Pa., as follows: (1) from Scranton over city streets to Dunmore; (2) from Scranton over U.S. Highway 611 to Mount Pocono, Pa., thence over Pennsylvania Highway 196 to Paradise Valley, Pa., and thence over Pennsylvania Highway 90 to Cresco; and (3) from Scranton over U.S. Highway 11 via Wyoming, Pa., to Kingston, Pa., thence over U.S. Highway 309 to Wilkes-Barre, and return over the above routes, serving all intermediate points. RESTRIC-TIONS: The service to be authorized

herein will be subject to the following conditions: (a) The service by motor vehicle to be performed by said carrier shall be limited to service which is auxiliary to, or supplemental of, rail service to The Delaware, Lackawanna and Western Railroad Company, hereinafter called the railroad. (b) Said carrier shall not serve any points not a station on a rail line of the railroad. (c) The shipments transported by said carrier by motor vehicle shall be limited to those which move under a through railroad bill of lading covering, in addition to the herein authorized movement by motor vehicle, an immediately prior or immediately subsequent movement by rail.

HEARING: September 12, 1960, at the Penn Sherwood Hotel, 3900 Chestnut Street, Philadelphia, Pa., before Exam-

iner Charles J. Murphy.

No. MC 20783 (Sub No. 51) filed July 25, 1960. Applicant: TOMPKINS MOTOR LINES, INC., 611 Mulberry Street, Nashville, Tenn. Applicant's attorney: Carl L. Steiner, 39 South La Salle Street, Chicago 3, Ill. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Meats, meat products, meat by-products, and articles distributed by meat packing houses, as described in Subdivision A and C of Appendix I, to the report in Descriptions in Motor Carrier Certificates, 61 M.C.C. 209(706), from Whitehall and La Crosse, Wis., to points in Alabama, Florida, Georgia, North Carolina, South Carolina, Louisiana, Tennessee, and Mississippi.

Hearing: October 10, 1960, at the Offices of the Interstate Commerce Commission, Washington, D.C.,

Examiner Lacy W. Hinely.
No. MC 29886 (Sub No. 172) filed August 1, 1960. Applicant: DALLAS & MAVIS FORWARDING CO., INC., 4000 West Sample Street, South Bend, Ind. Applicant's attorney: Charles Pieroni, 4000 West Sample Street, South Bend, Ind. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Boilers and parts thereof, when moving in the same shipment, from Berks, Cambria, Chester, Lebanon, Monroe, Montgomery, and York Counties, Pa., to points in Alabama, Arkansas, Colorado, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Wisconsin, and Wyoming.

HEARING: October 13, 1960, at the Offices of the Interstate Commerce Commission, Washington, D.C., before Ex-

aminer Charles J. Murphy.

No. MC 30844 (Sub No. 42), filed March 25, 1960. Applicant: KROBLIN REFRIGERATED EXPRESS, INC., P.O. Box 218, Sumner, Iowa. Applicant's Truman A. Stockton, 1650 attorney: Grant Street Building, Denver 3, Colo. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Canned goods and frozen foods, from Lawton and Decatur, Mich., to points in Minnesota, and empty containers or other such incidental facilities (not specified) used in transporting the above-specified commodities, on return.

HEARING: September 19, 1960, at the Offices of the Interstate Commerce Commission, Washington, D.C., before Examiner Richard H. Roberts.

No. MC 42487 (Sub No. 466), filed June 27, 1960. Applicant: CONSOLI-DATED FREIGHTWAYS CORPORA-TION, 175 Linfield Drive, Menlo Park, Calif. Applicant's attorney: J. G. Dail, Jr. (same as applicant). Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Weed killing compounds, agricultural insecticides and bichromate of soda, in bulk, in tank vehicles, from Painesville, Ohio and Des Moines, Iowa to points in Washington, Oregon, and California.

HEARING: October 5, 1960, in Room 852, U.S. Custom House, 610 South Canal Street, Chicago, Ill., before Examiner Reece Harrison.

No. MC 52657 (Sub No. 598), filed August 3, 1960. Applicant: ARCO AUTO CARRIERS, INC., 7530 South Western Avenue, Chicago 20, Ill. Applicant's attorney: G. W. Stephens, 121 West Doty Street, Madison, Wis. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: (1) Trailers (other than those designed to be drawn by passenger automobile), in initial truckaway service, from Uniontown, Pa., to all points in the United States, including Alaska, but excluding Hawaii, and (2) Tank shells and tank bodies, from Uniontown, Pa., to points in the United States, including Alaska, but excluding Hawaii.

HEARING: October 3, 1960, in Room 852, U.S. Custom House, 610 South Canal Street, Chicago, Ill., before Ex-

aminer Reece Harrison.

No. MC 52709 (Sub No. 113), filed June 13, 1960. Applicant: RINGSBY TRUCK LINES, INC., 3201 Ringsby Court, Denver 5, Colo. Applicant's at-torney: John W. Carlisle, 3201 Ringsby Court, Denver 5, Colo. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Liquid wax, in bulk, in tank vehicles, from Woods Cross, Utah, to points in Arizona, California, Colorado, New Mexico, Oregon, Utah, and Washington.

HEARING: October 25, 1960, at the Utah Public Service Commission, Salt Lake City, Utah, before Examiner

Richard H. Roberts.

No. MC 52709 (Sub No. 114), filed June 23, 1960. Applicant: RINGSBY TRUCK LINES, INC., 3201 Ringsby Court, Denver 5, Colo. Applicant's at-torney: John W. Carlisle, 3201 Ringsby Court, Denver 5, Colo. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes transporting: Tallows and greases, edible or inedible, meat and bone products, and dried blood, in bulk, in tank vehicles, from Denver, Colo., to points in Wyoming, Montana, Idaho, Utah, Arizona, Nevada, California, Illinois, Iowa, Missouri, Nebraska, and Ohio.

HEARING: October 31, 1960, at the New Customs House, Denver, Colo., before Examiner Richard H. Roberts.

No. MC 52709 (Sub No. 118), filed July 5, 1960. Applicant: RINGSBY TRUCK LINES, INC., 3201 Ringsby Court, Denver 5, Colo. Applicant's attorney: John W. Carlisle, same address as applicant. Authority sought to operate as a common carrier by motor vehicle, over irregular routes, transporting: Vegetable oils, in bulk, in tank vehicles, from Culbertson, Mont., to points in Iowa, Missouri, Illinois, Michigan, Ohio, Pennsylvania, New Jersey, New York, Massachusetts, Texas, Louisiana, Oklahoma, Kansas, Arkansas, Tennessee, Georgia, Florida, Nebraska, Colorado, Kentucky, Alabama, Mississippi, Maryland, West Virginia, Virginia, Washington, D.C., Indiana, Wisconsin, Minnesota, Connecticut, Vermont, New Hampshire, Maine, North Carolina, South Carolina, Delaware, New Mexico, North Dakota, South Dakota, Wyoming, Idaho, Utah, Arizona, Nevada, Washington, Oregon, and California.

HEARING: November 1, 1960, at the New Customs House, Denver, Colo., before Examiner Richard H. Roberts.

No. MC 55236 (Sub No. 45), filed June 10, 1960. Applicant: OLSON TRANS-PORTATION COMPANY, a corporation, 1970 South Broadway, Green Bay, Wis. Applicant's attorney: Robert W. Smith, 204 South Hamilton Street, Madison, Wis. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Molasses, in bulk, in tank vehicles, from Lemont, Ill., and points within a radius of five (5) miles thereof, to points in Indiana. Iowa, Michigan, Ohio and Wisconsin, and damaged or rejected shipments of the above-specified commodity on return.

HEARING: October 4, 1960, in Room 852, U.S. Custom House, 610 South Canal Street, Chicago, Ill., before Examiner Reece Harrison.

No. MC 61592 (Sub No. 8), filed May 18, 1960. Applicant: K & A TRUCK LINES, INC., 3708 Elm Street, Bettendorf, Iowa. Applicant's representative: Kenneth F. Dudley, 106 North Court Street, P.O. Box 557, Ottumwa, Iowa. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Farm equipment, machinery, and farm equipment and machinery parts, from Gwinner, N. Dak., to points in Arkansas, California, Colorado, Iowa, Indiana, Illinois, Idaho, Kentucky, Kansas, Missouri, Michigan. Montana, Minnesota, Nebraska, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Texas, Tennessee, Utah, Washington, Wisconsin, and Wyoming, and defective, rejected or damaged shipments of the above specified commodities, on

Note: Applicant states there will be no intent to transport full truckloads of the parts by themselves.

HEARING: October 10, 1960, in Room 401, Old Federal Office Building, Fifth and Court Avenues, Des Moines, Iowa, before Examiner Reece Harrison.

No. MC-76032 (Sub No. 157), filed July 18, 1960. Applicant: NAVAJO FREIGHT LINES, INC., 1205 South Platte River Drive, Denver 23, Colo. Applicant's attorney: O. Russell Jones, Bokum Building, 142 West Palace Av- aminer Charles B. Heineman.

enue, Santa Fe, N. Mex. Authority sought to operate as a common carrier. by motor vehicle, over regular routes. transporting: General commodities, including Classes A and B explosives, and excepting those of unusual value, household goods as defined by the Commission, commodities in bulk, commodities requiring special equipment, and those injurious or contaminating to other lading: serving the plant site of Southwest Forest Industries, Inc., located approximately 21 miles south of Holbrook, Ariz., and 15 miles west of Snowflake, Ariz., as an off-route point in connection with carrier's regular route operations.

HEARING: September 20, 1960, at the Arizona Corporation Commission, Phoenix, Ariz., before Joint Board No. 240, or, if the Joint Board waives its right to participate, before Examiner F. Roy

No. MC 87730 (Sub No. 22), filed August 1, 1960. Applicant: R. W. BOZEL TRANSFER, INC., 414 West Camden Street, Baltimore, Md. Applicant's attorney: Donald E. Cross, 919 Munsey Building, Washington 4, D.C. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Perishable food and perishable foodstuffs, in vehicles equipped with mechanical refrigeration; (1) between Baltimore, Md. and Washington, D.C., and (2) from Baltimore, Md. and Washington, D.C., on the one hand, and, on the other, points in Virginia on and south of U.S. Highway 60.

HEARING: October 13, 1960, at the Offices of the Interstate Commerce Commission, Washington, D.C., before Joint Board No. 68.

No. MC 95540 (Sub No. 339), filed July 8, 1960. Applicant: WATKINS MOTOR LINES, INC., Cassidy Road, Thomasville, Ga. Applicant's attorney: Joseph H. Blackshear, 205 Jackson Building, Gainesville, Ga. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Frozen foods and meats, meat products, meat by-products and articles distributed by meat packing houses as described in Subdivision A and C Appendix I to the report in Descriptions in Motor Carrier Certificates, 61 M.C.C. 209 (766), from points in Colorado to points in Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, Tennessee, and Virginia.

HEARING: November 2, 1960, at the New Customs House, Denver, Colo., before Examiner Richard H. Roberts.

No. MC 95540 (Sub No. 340), filed July 22, 1960. Applicant: WATKINS MOTOR LINES, INC., Cassidy Road, Thomasville, Ga. Applicant's attorney: Joseph H. Blackshear, 205 Jackson Building, Gainsville, Ga. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Frozen foods and frozen juices, from Bridgeton, Vineland, and Swedesboro, N.J., to points in Maine, Vermont, and New Hampshire.

Note: Common control may be involved.

HEARING: October 11, 1960, at the Offices of the Interstate Commerce Commission, Washington, D.C., before Ex**NOTICES**

No. MC 95540 (Sub No. 341), filed July 25, 1960. Applicant: WATKINS MOTOR LINES, INC., Cassidy Road, Thomasville, Ga. Applicant's attorney: Joseph H. Blackshear, 205 Jackson Building, Gainsville, Ga. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Meat, meat products, meat by-products, articles distributed by meat packing houses, as described in Sub-division A and C of Appendix I, to the report in Descriptions in Motor Carrier Certificates, 61 M.C.C. 209 (766); from Whitehall and LaCrosse, Wis., to points in Alabama, California, Florida, Georgia, Tennessee, Kentucky, Maine, Maryland, Massachusetts, New Hampshire, Texas, New York, North Carolina, Pennsylvania, South Carolina, and Virginia.

Note: Common control may be involved.

HEARING: October 10, 1960, at the Offices of the Interstate Commerce Commission, Washington, D.C., before Ex-

aminer Lacy W. Hinely.

No. MC 103051 (Sub No. 99), filed August 1, 1960. Applicant: WALKER HAULING CO., INC., P.O. Box 13444, Station K, 340 Armour Drive NE., Atlanta 24, Ga. Applicant's attorney: R. J. Reynolds, Jr., 1424 C and S Bank Building, Atlanta 3, Ga. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Vegetable oil, in bulk, in tank vehicles, from points in Bibb County, Ga. to points in Jefferson County, Ala.

HEARING: September 20, 1960, at the Hotel Thomas Jefferson, Birmingham, Ala. before Examiner Donald R. Suther-

land.

No. MC 106398 (Sub No. 162), filed June 22, 1960. Applicant: NATIONAL TRAILER CONVOY, INC., 1915 North Sheridan Road, Tulsa, Okla. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Trailers, designed to be drawn by passenger automobiles, in initial movements in truckaway service, from points in Oklahoma (except from the site of Spartan factory near Tulsa; El Reno trailer plant approximately eight (8) miles south of El Reno, Okla., and from Lawton and Chickasha, Okla.), to all points in the United States, excluding Alaska and Hawaii.

HEARING: September 29, 1960, at the Mayo Hotel, Tulsa, Okla., before Exam-

iner James O'D Moran.

No. MC 106965 (Sub No. 139), filed July 26, 1960. Applicant: M. I. O'BOYLE & SON, INC., doing business as O'BOYLE TANK LINES, 1825 Jefferson Place NW., Washington 6, D.C. Applicant's attorney: Dale C. Dillon, 1825 Jefferson Place NW., Washington 6, D.C. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Liquid wax, in bulk, in tank vehicles, from Emlenton and Farmers Valley, Pa., to Norfolk, Va.

NOTE: (1) Applicant has pending in MC-112563 and Sub 1, thereunder, application for contract authority, therefore, dual operations may be involved. (2) Common control may be involved.

HEARING: October 3, 1960, at the Offices of the Interstate Commerce Commission, Washington, D.C., before Examiner C. Evans Brooks.

No. MC 106965 (Sub No. 140), filed July 26, 1960. Applicant: M. I. O'BOYLE & SON, INC., doing business as O'BOYLE TANK LINES, 1825 Jefferson Place NW., Washington 6, D.C. Applicant's attorney: Dale C. Dillon, 1825 Jefferson Place NW., Washington 6, D.C. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Petroleum products, in bulk, in tank vehicles, from Emlenton and Farmers Valley, Pa., to Washington, D.C.

Note: (1) Applicant has pending in MC-112563 and Sub 1, thereunder, application for contract authority, therefore, dual operations may be involved. (2) Common control may be involved.

HEARING: October 4, 1960, at the Offices of the Interstate Commerce Commission, Washington, D.C., before Exam-

iner Gerald F. Colfer.

No. MC 109637 (Sub No. 161), filed August 2, 1960. Applicant: SOUTHERN TANK LINES, INC., 4107 Bells Lane, Louisville 11, Ky. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Petroleum and petroleum products. in bulk, in tank vehicles, from Boyd County, Ky. (excluding Ashland, Ky.), to points in Alabama, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Lousiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, points in Tennessee, on and west of U.S. Highway 27, Vermont, points in Virginia on and east of U.S. Highway 15. Wisconsin, and the District of Columbia, and rejected shipments, on return.

HEARING: October 5, 1960, at the Offices of the Interstate Commerce Commission, Washington, D.C., before Examiner Alton R. Smith.

No. MC 109772 (Sub No. 18), filed July 11, 1960. Applicant: ROBERTSON TRUCK-A-WAYS, INC., 7101 East Slauson, Los Angeles, Calif. Applicant's attorney: Phil Jacobson, 510 West Sixth Street, Suite 723, Los Angeles 14, Calif. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Motor vehicles, in initial movements, in truckaway service, from Chrysler Corporation in Maywood, Calif., to points in New Mexico, and Farwell, Tex., and rejected or damaged vehicles, on return.

HEARING: September 14, 1960, at the Federal Building, Los Angeles, Calif., before Examiner F. Roy Linn.

No. MC 109947 (Sub No. 29), filed June 13, 1960. Applicant: WARSAW TRUCKING CO., INC., R.R. No. 5, Warsaw, Ind. Applicant's attorney: Robert A. Sullivan, 1800 Buhl Building, Detroit 26, Mich. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: Metal castings and stampings, from the plant site of Dalton Foundries located at War-

saw, Ind., to points in Alabama, Arizona, Georgia, Kansas, Louisiana, Minnesota, Mississippi, New Jersey, New Mexico, Oregon, Washington, Wisconsin, Massachusetts, Vermont, New Hampshire, Maine, Rhode Island, Utah, Nevada, Idaho, Montana, Wyoming, Colorado, South Dakota, North Dakota, and Delaware; and Materials and supplies, used in connection with the manufacture of netal castings and stampings, from points in New York, Ohio, Illinois, Michigan, West Virginia, Kentucky, and Wisconsin to the plant site of Dalton Foundries at Warsaw, Ind.

Note: A proceeding has been instituted under section 212(c) in No. MC 109947 (Sub No. 22), to determine whether applicant's status is that of a common or contract carrier.

HEARING: October 5, 1960, in Room 852, U.S. Custom House, 610 South Canal Street, Chicago, Ill., before Examiner Reece Harrison.

No. MC 111159 (Sub-No. 115), filed August 1, 1960. Applicant: MILLER TRANSPORTERS, LTD. (a corporation), P.O. Box 1123, Jackson, Miss. Applicant's attorney: Phineas Steavens, Suite 700, Petroleum Building, P.O. Box 141, Jackson, Miss. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Concrete plasticizers and concrete curing compounds, in bulk, from Memphis, Tenn., to points in Alabama, Arkansas, Illinois, Indiana, Kentucky, Mississippl, and Missouri.

HEARING: October 3, 1960, at the Claridge Hotel, Memphis, Tenn., before

Examiner James O'D Moran.

No. MC 111611 (Sub No. 14), filed July 27, 1960. Applicant: NOERR MOTOR FREIGHT, INC., 1000 South Main Street, Lewistown, Pa. Applicant's attorney: Robert H. Shertz, Suite 601, 226 South 16th Street, Philadelphia 2, Pa. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Rayon strapping equipment and supplies, from Lewistown, Pa., to points in Connecticut, Massachusetts, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, and Virginia.

Note: Applicant presently has authority to transport rayon and rayon yarn from Lewistown, Pa., to the specified destination States.

HEARING: October 7, 1960, at the Offices of the Interstate Commerce Commission, Washington, D.C., before Examiner A. Lane Cricher.

No. MC 112330 (Sub No. 5), filed August 3, 1960. Applicant: A. G. OGDEN, P.O. Box 236, Naranja, Fla. Applicant's attorney: Frank B. Hand, Jr., 522 Transportation Building, Washington 6, D.C. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes transporting: Insecticides, fungicides and fertilizers, in containers, from Baltimore, Md. to points in Florida.

HEARING: October 4, 1960, at the Offices of the Interstate Commerce Commission, Washington, D.C., before Examiner William J. Cave.

No. MC 112595 (Sub No. 18), filed July 27, 1960. Applicant: FORD BROTHERS, INC., P.O. Box 419, 2940 South Third Street., Ironton, Ohio. Applicant's attorney: L. C. Major, Jr., 2001 Massachusetts Avenue NW., Washington 6, D.C. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Petroleum and petroleum products. in bulk, in tank vehicles, from Boyd County, Ky. (excluding Ashland, Ky.), to points in Alabama, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana. Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnnesota, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Tennessee (except points in Tennessee on and east of U.S. Highway 27), Vermont, Virginia, West Virginia, Wisconsin, and the District of Columbia, and refused or rejected shipments, on

HEARING: October 5, 1960, at the Offices of the Interstate Commerce Commission, Washington, D.C., before Examiner Alton R. Smith.

No MC 112617 (Sub No. 70), filed June 20, 1960. Applicant: LIQUID TRANS-PORTERS, INC., P.O. Box 5135, Cherokee Station, Louisville 5, Ky. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Liquefied petroleum gas, in bulk, in tank vehicles, from West Memphis, Ark., to points in Alabama, Georgia, Illinois, Kentucky, Mississippi, and Tennessee, and rejected shipments, on return.

HEARING: October 4, 1960, at the Claridge Hotel, Memphis, Tenn., before Examiner James O'D Moran.

No. MC 112617 (Sub No. 73), filed July 27, 1960. Applicant: LIQUID TRANS-PORTERS, INC., P.O. Box 5135, Cherokee Station, Louisville 5, Ky. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Petroleum and petroleum products, in bulk, in tank vehicles, from points in Boyd County, Ky. (excluding Ashland, Ky.), to points in Alabama, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Tennessee on and west of U.S. Highway 27, Vermont, Virginia, on and east of U.S. Highway 15, Wisconsin, and the District of Columbia, and rejected shipments, on return.

Note: Applicant will surrender all existing authorities which might be duplicated by the granting of this application.

HEARING: October 5, 1960, at the Offices of the Interstate Commerce Commission, Washington, D.C., before Examiner Alton R. Smith.

No. MC 112750 (Sub No. 50), filed August 4, 1960. Applicant: ARMORED CARRIER CORPORATION, DeBevoise Building, 222-17 North Boulevard, Bayside, L.I., N.Y. Applicant's attorney: Paul F. Sullivan, 1821 Jefferson Place NW., Sundial House, Washington 6, D.C.

Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: Exposed and processed film and prints, complimentary replacement film, and incidental dealer handling supplies, and advertising literature moving therewith (excluding motion picture film used primarily for commercial theater and television exhibition), between points in the Pitts-burgh, Pa. Commercial Zone, as defined by the Commission, on the one hand, and, on the other, points in Erie, Warren, Crawford, Mercer, Venango, Forest, Elk, Lawrence, Butler, Armstrong, Jefferson, Clearfield, Beaver, Indiana, Cambria, Allegheny, Westmoreland, Washington, Greene, Fayette, Somerset, McKean, Clarion, and Bedford Counties,

HEARING: October 3, 1960, at the Offices of the Interstate Commerce Commission, Washington, D.C., before Examiner Henry A. Cockrum.

No. MC 113584 (Sub No. 12), filed July 15, 1960. Applicant: SHIPPERS SERV-ICE, INC., P.O. Box 1016, Mason City, Iowa. Applicant's representative: William A. Landau, 1307 East Walnut Street, Des Moines 16, Iowa. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: (1) Acids and chemicals, used in the manufacture of animal and poultry drugs and remedies, from Lock Haven, Pa., to Charles City, Iowa. (Service to be performed under a continuing contract with Dr. Salisbury's Laboratories, of Charles City, Iowa.), (2) Poultry and livestock drugs and remedies, from Charles City, Iowa to Guntersville, Ala., Hayward, Los Angeles, Oakland, Ontario, Pasadena, Petaluma, Richmond, Rio Linda, Sacramento, Santa Rosa, Stockton, and Yuba City, Calif., Delmar and Millsboro, Del., Gainesville, Ga., Jackson, Miss., Mocksville, N.C., Camp Hill, Lancaster, Lemoyne, Shiremanstown, and York, Pa., Chattanooga and Memphis, Tenn., and Brattleboro, Vt.

Note: Shipments transported under the authority sought herein from Charles City to the points specified above would be limited to delivery of portion of a shipment from Charles City and destined to a point or points which applicant is presently authorized to serve. (Dual operations may be involved.)

HEARING: October 12, 1960, in Room 401, Old Federal Office Building, Fifth and Court Avenues, Des Moines, Iowa, before Examiner Reece Harrison.

No. MC 114364 (Sub No. 49), filed July 11, 1960. Applicant: WRIGHT MOTOR LINES, INC., 16th and Elm Street, Rocky Ford, Colo. Applicant's attorney: Alvin J. Meiklejohn, Jr., 526 Denham Building, Denver 2, Colo. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Sugar, (1) from Ovid, Colo., and points within five (5) miles thereof, to points in Kansas. Oklahoma, points in that part of Missouri on and south of U.S. Highway 54 from the Kansas-Missouri State line to Preston, Mo., and on and west of U.S. Highway 65 from Preston, Mo., to the Missouri-Arkansas State line, and Kansas City, Mo., and points in

Arkansas on and west of U.S. Highway 65 from the Missouri-Arkansas State line to Little Rock, Ark., and on and west of U.S. Highway 67 from Little Rock, Ark., to Texarkana, Ark.; and (2) from Mitchell, Scottsbluff, Gering, and Bayard, Nebr., and points within five (5) miles of each, to points in Kansas, Oklahoma, points in that port of Missouri on and south of U.S. Highway 54 from the Kansas-Missouri State line to Preston, Mo., and on and west of U.S. Highway 65 from Preston, Mo., to the Missouri-Arkansas State line, and points in Arkansas on and west of U.S. Highway 65 from the Missouri-Arkansas State line to Little Rock, Ark., and on and west of U.S. Highway 67 from Little Rock, Ark., to Texarkana, Ark.

Note: Common control may be involved.

HEARING: November 4, 1960, at the New Customs House, Denver, Colo., before Examiner Richard H. Roberts.

No. MC 114364 (Sub No. 50), July 11, 1960. Applicant: WRIGHT MOTOR LINES, INC., 16th and Elm Street, Rocky Ford, Colo. Applicant's attorney: Alvin J. Meiklejohn, Jr., Suite 526. Denham Building, Denver 2, Colo. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Sugar, (1) from Worland, Wyo., and points within 5 miles thereof, to points in Kansas and Oklahoma, and in that part of Missouri on and south of U.S. Highway 54 from the Kansas-Missouri State line to Preston, Mo.; and on and west of U.S. Highway 65 from Preston, Mo., to the Missouri-Arkansas State line, and Kansas City, Mo.; and points in Arkansas on and west of U.S. Highway 65 from the Missouri-Arkansas State line, to Little Rock, Ark., and on and west of U.S. Highway 67, from Little Rock, Ark., to Texarkana, Ark. and (2) from Hardin, Mont., and points within 5 miles thereof, to points in Kansas, Oklahoma, points in that part of Missouri on and South of U.S. Highway 54 from the Kansas-Missouri State line to Preston, Mo., and on and west of U.S. Highway 65 from Preston, Mo., to the Missouri-Arkansas State line, and points in Arkansas on and west of U.S. Highway 65 from the Missouri-Arkansas State line to Little Rock. Ark., and on and west of U.S. Highway 67 from Little Rock, Ark., to Texarkana,

HEARING: November 3, 1960, at the New Customs House, Denver, Colo., before Examiner Richard H. Roberts.

No. MC 115523 (Sub No. 72), filed June 14, 1960. Applicant: CLARK TANK LINES COMPANY, a corporation, 1450 North Beck Street, Salt Lake City 10, Utah. Applicant's attorney: Bertram S. Silver, 126 Post Street, Suite 600, San Francisco 8, Calif. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Salt and salt products, and contaminated or rejected shipments, between Saline and Silsbee, Utah and points within 10 miles thereof, and Salt Lake City, Utah, on the one hand, and, on the other, points in Utah, Idaho, Montana, Wyoming, Colorado, New Mexico, Arizona, California, Nevada, Oregon, and Washington.

HEARING: October 26, 1960, at the Utah Public Service Commission, Salt Lake City, Utah, before Exainmer Richard H. Roberts.

No. MC 115523 (Sub-No. 73). filed June 15, 1960. Applicant: CLARK TANK LINES COMPANY, a corporation, 1450 North Beck Street, Salt Lake City 10, Utah. Applicant's attorney: Bertram S. Silver, 126 Post Street, Suite 800, San Francisco 8, Calif. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: (1) dry calcium carbonate, dry calcium carbonate products, and trade name materials composed of such products, from points in Tooele County, Utah, to points in Utah, Idaho, Montana, Wyoming, Colorado, New Mexico, Arizona, California, Nevada, Oregon, and Washington, (2) Dry fertilizers, dry fertilizer ingredients, and dry fertilizer compounds used in the manufacture of commercial fertilizers, from points in Lincoln County, Wyo., to points in Idaho, Montana, Wyoming, Colorado, New Mexico, Arizona, California, Nevada, Oregon, and Washington, and contaminated or rejected shipments, on return.

HEARING: October 27, 1960, at the Utah Public Service Commission, Salt Lake City, Utah, before Examiner Richard H. Roberts.

No. MC 115732 (Sub No. 4), filed April 22, 1960. Applicant: FRANK C. MARTIN, doing business as MARTIN PROPANE TRANSPORT, 517 North Chancery Street, McMinnville, Tenn. Applicant's attorney: Walter Harwood, Nashville Trust Building, Nashville 3, Tenn. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Liquefied petroleum gas, in bulk, in tank vehicles, from the site of the Interstate Petroleum Company plant and the site of a plant to be operated by the Pure Oil Company for its owners, and which sites are located at or near West Memphis, Ark., to points in Mississippi on and north of U.S. Highway 84, points in Alabama on and north of U.S. Highway 80, points in Georgia on and north and west of U.S. Highway 411, points in Tennessee on and west of U.S. Highway 27, points in Kentucky on and west of U.S. Highway 31E, and those in Indiana and Illinois on and south of U.S. Highway 460.

HEARING: September 20, 1960, at the Offices of the Interstate Commerce Commission, Washington, D.C., before Examiner Abraham J. Essrick.

No. MC 116205 (Sub No. 9), filed June 14, 1960. Applicant: JENKINS TRUCK LINE, INC., P.O. Box 430, Charles City, Iowa. Applicant's attorney: Charles W. Singer, 33 North La Salle Street. Chicago 2, Ill. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Tractors, (not including tractors with vehicle beds, bed frames or fifth wheels), agricultural machinery and implements, and parts and attachments for the above-described commodities when incidental to and moving at the same time as said commodities, from Charles City, Iowa, to points in Michigan, West Virginia, Tennessee, Kentucky, Ohio,

and those in Pennsylvania on and west of U.S. Highway 219, and damaged, rejected or returned shipments of tractors, agricultural machinery and implements, and parts thereof, from the destination points described above, to Charles City, Iowa.

HEARING: October 6, 1960, in Room 852, U.S. Custom House, 610 South Canal Street, Chicago, Ill., before Examiner Reece Harrison.

No. MC 116273 (Sub No. 4), filed June 8. 1960. Applicant: D & L TRANSPORT. INC., 3800 South Laramie Avenue. Cicero 50, Ill. Applicant's attorney: Eugene L. Cohn, 1 North La Salle Street, Chicago 2, Ill. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: (1) Asphalt modifier, in tank vehicles, from Whiting, Ind. to Chattanooga, Tenn. (2) Asphalt, asphalt cut-back, road oils, and tar, in bulk, in tank vehicles, from Whiting, Ind. to points in Michigan. (3) Returned and rejected shipments of the commodities specified in (1) and (2) from the respective destination points to the respective origin points.

HEARING: October 3, 1960, in Room 852, U.S. Custom House, 610 South Canal Street, Chicago, Ill., before Examiner Reece Harrison.

No. MC 116858 (Sub No. 1), filed July 18, 1960. Applicant: J & M LEASING CORP., 646 East 12th Street, New York, N.Y. Applicant's representative: Bert Collins, 140 Cedar Street, New York 6, N.Y. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: Such merchandise, as is distributed by a premium stamp redemption center in redemption of premium stamps, and, in connection therewith, equipment, materials, and supplies, used in the conduct of such business, from the warehouse site of Sperry & Hutchinson Co., in Metuchen, N.J., to store sites of Sperry & Hutchinson Co., located at points in Westchester, Putnam, Dutchess, Orange, Rockland, Sullivan, and Ulster Counties, N.Y., and Fairfield, New Haven, Litchfield, Hartford, and Middlesex Counties, Conn., and returned shipments of the commodities specified above, and premium stamp books with stamps attached, on return. RESTRICTION: The operations proposed herein are to be limited to a transportation service to be performed under a continuing contract with Sperry & Hutchinson Co., Metuchen, N.J.

Note: Common control and dual operations may be involved.

HEARING: October 11, 1960, at the Offices of the Interstate Commerce Commission, Washington, D.C., before Examiner John L. York.

No. MC 117169 (Sub No. 2), filed January 25, 1960. Applicant: B. BEASLEY, doing business as BEASLEY'S HOT SHOT SERVICE, 712 Laplata Drive, Farmington, N. Mex. Applicant's attorney: O. Russell Jones, P.O. Box 1437, Santa Fe, N. Mex. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Oilfield tools, equipment and supplies, with each individual shipment restricted to not more than 12,000

pounds, between points in San Juan County, N. Mex., on the one hand, and, on the other, points in Arizona, Colorado, Utah, and that part of Wyoming lying on and south of U.S. Highway 26.

HEARING: November 7, 1960, at the New Mexico State Corporation Commission, Santa Fe, N. Mex., before Examiner Richard H. Roberts.

No. MC 117615 (Sub No. 4), filed July 13, 1960. Applicant: BOYER VALLEY COMPANY, a corporation, Iowa Theatre Building, Denison, Iowa. Applicant's attorney: Albert L. Feldman, Suite 924, City National Bank Building, Omaha 2, Nebr. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: Animal blood, in bulk, in tank vehicles, from Denison, Iowa, to Omaha, Nebr., and rejected or contaminated shipments on return.

HEARING: October 14, 1960, in Room 401, Old Federal Office Building, Fifth and Court Avenues, Des Moines, Iowa, before Joint Board No. 138, or, if the Joint Board waives its right to participate, before Examiner Reece Harrison.

No. MC 118746 (Sub No. 3), filed July 25, 1960. Applicant: NOEL E. TIDWELL, doing business as CULLMAN BANANA SUPPLY, 104 East First Avenue, Cullman, Ala. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Bananas, in straight or in mixed shipments with certain exempt commodities, from New Orleans, La. and Mobile, Ala., to Los Angeles and San Francisco, Calif.

Note: Applicant states it proposes to transport exempt commodities on return.

HEARING: September 14, 1960, at the Federal Building, Los Angeles, Calif., before Examiner F. Roy Linn.

No. MC 119219 (Sub No. 3), filed July 1, 1960. Applicant: RAYMOND L. BURT, doing business as BURT DIS-TRIBUTING COMPANY, 935 Florida, SE. Albuquerque, N. Mex. Applicant's representative: L. C. Cypert, Room 2, 11151/2 Central Avenue N.E., Albuquerque, N. Mex. Authority sought to operate as a contract carrier, by motor vehicle, over regular routes, transporting: Meats, meat products, meat byproducts, and dairy products, as listed in Sections A, B and C of Appendix I of the report in Descriptions in Motor Carrier Certificates 61 M.C.C. 209 and 766, in vehicles equipped with temperature control devices, from Albuquerque, N. Mex. to points in New Mexico, (1) From Albuquerque, over U.S. Highway 85 to junction New Mexico Highway 44, thence over New Mexico Highway 44 to junction New Mexico Highway 422, thence over New Mexico Highway 422 to junction U.S. Highway 85, thence over U.S. Highway 85, through Santa Fe, to Las Vegas, N. Mex., serving all intermediate points. (2) From Albuquerque, N. Mex. over U.S. Highway 85 to junction New Mexico Highway 44, thence over New Mexico Highway 44 to junction New Mexico Highway 422, thence over New Mexico Highway 422 to junction U.S. Highway 85, thence over U.S. Highway 85 to Santa Fe, N. Mex., thence over

U.S. Highway 64 to Taos, N. Mex., serving the off-route points of Espanola and Los Alamos, N. Mex. (3) From Albuquerque, N. Mex., over U.S. Highway 85 to junction New Mexico Highway 44, thence over New Mexico Highway 44 to junction New Mexico Highway 422, thence over New Mexico Highway 422 to junction U.S. Highway 85, thence over U.S. Highway 85 to Santa Fe, N. Mex., thence over U.S. Highway 285 to Espanola, thence over unnumbered New Mexico Highway to junction New Mexico Highway 4, thence over New Mexico Highway 4 to junction unnumbered New Mexico Highway, thence over unnumbered New Mexico Highway to Los Alamos, N. Mex., serving all intermediate points. (4) From Albuquerque, N. Mex., over U.S. Highway 85 to junction New Mexico Highway 44, thence over New Mexico Highway 44 to Aztec, N. Mex., thence over U.S. Highway 550 to Shiprock, N. Mex. (5) From Albuquerque, N. Mex., over U.S. Highway 66 to Gallup. N. Mex., serving all intermediate points. (6) Empty containers or other such incidental facilities (not specified) used in transporting the commodities specified in this application, from the abovespecified destination points to their respective origin point.

 Note: Applicant states the proposed operations to points on the above-described routes will be delivery service only, on traffic originating outside of New Mexico.

HEARING: November 10, 1960, at the New Mexico State Corporation Commission, Santa Fe, N. Mex., before Joint Board No. 87, or, if the Joint Board waives its right to participate, before Examiner Richard H. Roberts.

No. MC 119630 (Sub No. 3), filed July 5, 1960. Applicant: VAN TASSEL, IN-CORPORATED, Fifth and Grand, Pittsburg, Kans. Applicant's representative: H. V. Eskelin, Fifth and Grand, Pittsburg, Kans. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: (1) Dry fertilizer compounds, in bulk, and in bags when moving with shipments in bulk, from Tulsa, Okla., to points in Missouri, Arkansas, Louisiana, and Texas. (2) Dry muriate of potash, in bags and in bulk, from points in New Mexico, to Tulsa, Okla. (3) Dry crude sulphur, in bulk, from points in Louisiana, Texas, and New Mexico, to Tulsa, Okla., and empty containers or other such incidental facilities, used in transporting the above-described commodities, on return, in connection with (1). (2), and (3), above.

Note: Applicant has authority in MC-115036 to conduct operations as a contract carrier, therefor, dual operations under section 210 may be involved.

HEARING: September 29, 1960, at the Mayo Hotel, Tulsa, Okla., before Examiner James O'D Moran.

No. MC 119775, filed May 16, 1960. Applicant: BLOOMSDALE EXCAVATING COMPANY, INCORPORATED, Bloomsdale, Mo. Applicant's attorney: Herman W. Huber, 101 East High Street, Jefferson City, Mo. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transport-

ing: Lime and lime products, in bulk and in bags, from points in Ste. Genevieve County, Mo., to Arkansas, Illinois, Indiana, Iowa, Kentucky and Tennessee, and empty containers or other such incidental facilities, used in transporting the above-described commodities, on return.

HEARING: September 19, 1960, at the Missouri Hotel, Jefferson City, Mo., before Examiner James O'D Moran.

No. MC 119847, filed June 13, 1960. Applicant: LEO GOODALE, doing business as GOODALE TRUCK LINE, Smith Center, Kans. Applicant's attorney: Hollis B. Logan, 512 New England Building, Topeka, Kans. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Processed mill feeds, in packages and in bulk, and exempt commodities, between Omaha, Nebr., and St. Joseph and Kansas City, Mo., on the one hand, and, on the other, points in Ellis, Norton, Rooks, Osborne, and Smith Counties, Kans.

HEARING: September 27, 1960, at the Hotel Kansan, Topeka, Kans., before Joint Board No. 140, or, if the Joint Board waives its right to participate, before Examiner James O'D Moran.

No. MC 119848, filed June 13, 1960. Applicant: KENISON TRUCKING, INC., P.O. Box 324 (413 South Second West), Salt Lake City, Utah. Applicant's attorney: Bartly G. McDonough, 10 Executive Building, 455 East Fourth South, Salt Lake City 11, Utah. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Animal and poultry feeds. and foods and ingredients used in the manufacture thereof, and empty containers or other such incidental facilities (not specified) used in transporting the commodities specified in this application, between points in Washington. Oregon, Montana, North Dakota, South Dakota, California, Nevada, Idaho, Utah, Wyoming, Colorado, Nebraska, Kansas, New Mexico, Iowa, and Arizona, Missouri.

Note: Applicant has contract carrier authority and pending applications under MC 115504 and Sub Numbers thereunder. Dual authority under section 210 may be involved. Applicant indicates it proposes to transport empty containers or other such incidental facilities on return movements.

HEARING: October 24, 1960, at the Utah Public Service Commission, Salt Lake City, Utah, before Examiner Richard H. Roberts.

No. MC 119850, filed June 13, 1960. Applicant: CARL MAYR, doing business as POPLAR AUTO PARTS, 436 West 12th Street, Erie, Pa. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: Disabled vehicles, from points in Illinois to points in Illinois, Michigan, Indiana, Ohio, Pennsylvania, and New York.

NOTE: Applicant states he proposes to transport the above-specified vehicles from point of disablement to point of repair by wrecker vehicle, such transportation not being incidental to repairs made by applicant. Applicant further states he proposes to return empty or tow disabled vehicles back to point of repair with his wrecker equipment.

HEARING: October 4, 1960, in Room 852, U.S. Custom House, 610 South Canal Street, Chicago, Ill., before Examiner Reece Harrison.

No. MC 119856, filed June 15, 1960. Applicant: THEODORE POPEK, doing business as COLONIAL EXPRESS, 714 Center Street, Jim Thorpe, Pa. Applicant's representative: A. E. Enoch, Brodhead Block, 556 Main Street, Bethlehem Pa. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: (1) New furniture, uncrated from the plant site of Lehighton Furniture Corp., Lehighton, Pa., to points in New Jersey, New York, Connecticut, Massachusetts, Rhode Island, New Hampshire, Maine, Vermont, Pennsylvania, Maryland, Dela-ware, the District of Columbia, Virginia, West Virginia, Ohio, Illinois, Indiana, North Carolina, Michigan, and South Carolina, and (2) such merchandise as is dealt in by the Furniture Company and in connection therewith equipment. materials and supplies used in the conduct of such business, from points in the aforementioned States to Lehighton, Pa.

HEARING: September 12, 1960, at the Penn Sherwood Hotel, 3900 Chestnut Street, Philadelphia, Pa., before Examiner Charles J. Murphy.

No. MC 119883, filed June 27, 1960. Applicant: JOE R. WELCH, 801 North Avenue L, Portales, N. Mex. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: Lumber, green or dry, rough or finished, from points in Arizona, Colorado, and New Mexico, to points in Texas on and west of U.S. Highway 75, and exempt commodities, on return.

HEARING: November 9, 1960, at the New Mexico State Corporation Commission, Santa Fe, N. Mex., before Examiner Richard H. Roberts.

No. MC 119898, filed July 5, 1960. Applicant: W. G. McCARTY, 300 Locust Street, Trumann, Ark. Applicant's attorney: Glenn M. Elliott, 2111 Sterick Building, Memphis 3, Tenn. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: Sewing machine desks, cabinets, carrying cases, tables and parts thereof, woodwork, stools and chairs, from the plant site of Poinsett Lumber and Manufacturing Company in Trumann, Ark., to the warehouses of Singer Sewing Machine Company in Chamblee, Ga., Dallas, Tex., and Moberly, Mo., traversing Arkansas, Alabama, Mississippi, and Tennessee, for operating convenience only, and *empty containers*, pallets, and other such incidental facilities, used in transporting the abovedescribed commodities, and damaged and rejected shipments, on return.

HEARING: October 4, 1960, at the Claridge Hotel, Memphis, Tenn., before Examiner James O'D Moran.

No. MC 119933, filed July 19, 1960. Applicant: TERMINAL DELIVERY SERV-ICE, INC., Union Station, Washington, D.C. Applicant's attorney: Wallace L. Schubert, 217 Southern Building, Washington 5, D.C. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Express and baggage, between

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points in the Washington, D.C., Commercial Zone, as defined by the Commission, on the one hand, and, on the other, points in the Baltimore, Md., Commercial Zone, as defined by the Commission.

HEARING: October 12, 1960, at the Offices of the Interstate Commerce Commission, Washington, D.C., before Joint Board No. 68.

No. MC 119943, filed July 22, 1960. Applicant: HENRY L. BORTOLI, FRANK BORTOLI, AND ADRIAN D. STILTZ, doing business as HANK & FRANK DRAYAGE CO., 85 Arcadia Avenue, Santa Clara, Calif. Applicant's representative: Norman R. Moon, 4264 Lakeshore Avenue, Oakland 10, Calif. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Grain and rice flour, between points in that part of California bounded by a line beginning at San Bruno, Calif., and extending southeasterly along U.S. Highway 101 By-Pass to San Mateo, Calif., thence easterly along unnumbered highway via the San Mateo Bridge and Mt. Eden, Calif., to Hayward, Calif., thence southerly and easterly along California Highway 9 to junction California Highway 17 at Fremont, Calif., thence southerly along California Highway 17 to San Jose, Calif., thence southerly along U.S. Highway 101 By-Pass and U.S. Highway 101 to Gilroy, Calif., thence easterly along California Highway 25 to Hollister, Calif., thence westerly along California Highway 156 to junction U.S. Highway 101 near San Juan Bautista, Calif., thence southerly along U.S. Highway 101 to a point approximately two (2) miles south of Salinas, Calif., thence westerly along unnumbered highway via Spreckels to Monterey, Calif., thence southerly along California Highway 1 to Carmel, Calif., thence northerly and westerly along the shore line of Monterey Bay and the Pacific Ocean to Davenport, Calif., thence easterly along California Highway 1 to Santa Cruz, Calif., thence northerly along California Highway 9 to junction California Highway 5, approximately seven (7) miles west of Saratoga, Calif., thence northerly and westerly along California Highway 5 to point of beginning (San Bruno), including all points on the highways and boundary lines described above.

HEARING: October 5, 1960, at the New Mint Building, 133 Hermann Street, San Francisco, Calif., before Joint Board No. 75, or, if the Joint Board waives its right to participate, before Examiner F. Roy Linn.

No. MC 119948, filed July 26, 1960. Applicant: A. L. POSTERARO, Box 626, Levittown, N.J. Applicant's representative: Bert Collins, 140 Cedar Street, New York 6, N.Y. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: Precut and prefabricated lumber, on specially constructed and on flat bed vehicles, from Delanco, N.J., to Bel Air Estates at or near Bowie, Md., and returned or rejected shipments, on return.

HEARING: October 12, 1960, at the Offices of the Interstate Commerce Commission, Washington, D.C. before Examiner Samuel Horwich,

MOTOR CARRIERS OF PASSENGERS

No. MC 115758 (Sub No. 1), filed April 25, 1960. Applicant: ORVILLE RICE, doing business as RICE BUS SERVICE, Melvern, Kans. Applicant's attorney: Leonard W. McAnarney, Buffon Building, Lyndon, Kans. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: (1) Passengers and their baggage. in round-trip charter operations, beginning and ending at points along U.S. Highway 75 between Topeka, Kans., and junction U.S. Highways 56 and 75 (approximately two (2) miles south of Carbondale, Kans.), including Topeka, and extending to points in the United States, including Alaska, but excluding Hawaii; and (2) Passengers and their baggage, in round-trip, special service, (a) beginning and ending at Melvern, Kans., and points within twenty (20) miles thereof, and extending to points in the United States, including Alaska, but excluding Hawaii; and (b) beginning and ending at points along U.S. Highway 75, between Topeka, Kans., and junction U.S. Highways 56 and 75 (approximately two (2) miles south of Carbondale, Kans.), including Topeka, and extending to points in the United States, including Alaska, but excluding Hawaii.

Note: Any duplication with present authority to be eliminated.

HEARING: September 27, 1960, at the Hotel Kansan, Topeka, Kans., before Examiner James O'D. Moran.

No. MC 119414 (Sub No. 1), filed July 15, 1960. Applicant: JAMES ENCAPERA AND THOMAS ENCAPERA, doing business as GREATER CHARLEROI BUS LINES, South McKean Avenue, Donora, Pa. Applicant's attorney: Arthur J. Diskin, 302 Frick Building, Pittsburgh 19, Pa. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Passengers and their baggage, in the same vehicle with passengers, in charter operations, from Donora, California, Monongahela, Charleroi, Bentleyville, North Charleroi, Speers, Dunlevy, Allenport, Stockdale, Roscoe, Elco, West Brownsville, and Cokesburg, all in Washington County, Pa., the Townships of West Pike Run, Fallowfield, Somerset, and Carroll, all in Washington County, Pa., Monessen and North Belle Vernon, in Westmoreland County, Pa., the Township of Rostraver in Westmoreland County, Pa., Fayette City, Belle Vernon, and Brownsville, in Fayette County, Pa., and Washington and Jefferson Townships, in Fayette County, Pa., to points in Alabama, Arkansas, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, Wisconsin, and the District of Columbia.

HEARING: October 10, 1960, at the Offices of the Interstate Commerce Commission, Washington, D.C., before Examiner Alfred B. Hurley.

No. MC 119919 (Sub No. 1), filed July 20, 1960. Applicant: BLAINE ALBERT WILLETTS, Route 1, Box 1A4, Frostburg, Md. Applicant's attorney: Miller Bowen, Liberty Trust Building, Cumberland, Md. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Passengers and their baggage, in charter operations, beginning and ending in Allegany County, Md. and extending to points in Maryland, Virginia, Pennsylvania, West Virginia and the District of Columbia.

HEARING: October 11, 1960, at the Offices of the Interstate Commerce Commission, Washington, D.C., before Examiner Robert A. Joyner.

No. MC 119970, filed August 4, 1960. Applicant: GEORGE KESSLER, doing business as HILL TOP BUS LINE, Third and Wilson Streets, Monessen, Pa. Applicant's attorney: James W. Hager, Commerce Building, P.O. Box 432, Harrisburg, Pa. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting Passengers and their baggage, in the same vehicle with passengers, in charter operations, beginning and ending in Monessen, Pa., and points within ten miles thereof, excluding points in Allegheny County, Pa., and extending to points in the United States, except Hawaii.

HEARING: September 13, 1960, at the New Federal Building, Pittsburgh, Pa., before Examiner Edith H. Cockrill.

APPLICATIONS IN WHICH HANDLING WITH-OUT ORAL HEARING IS REQUESTED

MOTOR CARRIERS OF PROPERTY

No. MC 730 (Sub No. 185), filed August 4, 1960. Applicant: PACIFIC INTER-MOUNTAIN EXPRESS CO., 14th and Clay Streets, P.O. Box 958, Oakland, Calif. Authority sought to operate as a common carrier, by motor vehicle, over regular routes, transporting: General commodities, except those of unusual value, Classes A and B explosives, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment, between Sheldon, Iowa, and junction Minnesota Highway 60 and Minnesota Highway 15, south of Madelia, Minn., from Sheldon over Iowa Highway 33 to junction Minnesota Highway 60, thence over Minnesota Highway 60 to junction Minnesota Highway 15, south of Madelia, Minn., and return over the same route serving no intermediate points, but serving the termini points for the purpose of joinder only, as an alternate route for operating convenience only in connection with applicant's authorized regular route operations.

No. MC 8600 (Sub No. 17), filed August 8, 1960. Applicant: WERNER TRANSPORTATION CO., 2601 32d Avenue South, Minneapolis, Minn. Authority sought to operate as a common carrier, by motor vehicle, over regular routes, transporting: General commodities, except those of unusual value, Classes A and B explosives, livestock, commodities in bulk, commodities requiring special equipment, and those injurious or contaminating to other lad-

ing; between Cleveland, Ohio and the site of a motor carrier terminal located approximately 2.7 miles south of the Ohio Turnpike, near West Richfield, Ohio, over U.S. Highway 21, serving no intermediate points.

Note: Applicant states authority sought for the purpose of interchange of shipments moving under present authority granted under the Certificate No. MC 109564, which certificate authorizes the transportation of general commodities, with exceptions, and various other specified commodities between points in the States of New York, Ohio, Pennsylvania, and West Virginia.

No. MC 35484 (Sub No. 43), filed August 8, 1960. Applicant: VIKING FREIGHT COMPANY, a corporation, 614 South Sixth Street, St. Louis 2, Mo. Applicant's attorney: G. M. Rebman, Suite 1230, Boatmen's Bank Building, St. Louis 2, Mo. Authority sought to operate as a common carrier, by motor vehicle, over regular routes, transporting: General commodities, except dangerous explosives, livestock, household goods as defined in Practices of Motor Common Carriers of Household Goods. 17 M.C.C. 467, loose bulk commodities, commodities requiring special equipment, and those injurious or contaminating to other lading, between Paducah, Ky., and Nashville, Tenn., from Paducah, Ky. over U.S. Highway 68 to junction U.S. Highway Alternate 41a at Hopkinsville, Ky., thence over U.S. Highway Alternate 41a to Nashville, Tenn., and return over the same route, serving no intermediate points, as an alternate route for operating convenience only, in connection with applicant's presently authorized regular route operations between Paducah, Ky. and Nashville, Tenn.

No. MC 66562 (Sub No. 1706), filed August 9, 1960. Applicant:, RAILWAL EX-PRESS AGENCY, INCORPORATED, 219 East 42d Street, New York 17, N.Y. Applicant's attorney: Robert C. Boozer, 1220 Citizens and Southern National Bank Building, Atlanta 3, Ga. Authority sought to operate as a common carrier, by motor vehicle, over regular routes, transporting: General commodities, including Classes A and B explosives, moving in express service, between Paris, Tenn. and Dresden and Huntingdon, Tenn., from Paris over Tennessee Highway 54 to Dresden, thence over Tennessee Highway 22 to Huntingdon, thence over Tennessee Highway 77 to Paris, and return over the same route, serving the intermediate points of Dresden, Huntingdon and Gleason, Tenn. RESTRIC-TIONS: (1) The service to be performed by applicant shall be limited to service which is auxiliary to or supplemental of air or rail express service of applicant. (2) The shipments transported by applicant shall be limited to those moving on a through bill of lading or express receipt covering, in addition to a motor carrier movement by applicant, an immediately prior or immediately subsequent movement by rail or air. (3) Such further specific conditions as the Commission in the future may find necessary to impose in order to restrict applicant's operations to service which is auxiliary to or supplemental of air or rail express service of applicant.

No. MC 104340 (Sub No. 139), filed August 5, 1960. Applicant: LEAMAN TRANSPORTATION COMPANY, INC., 520 East Lancaster Avenue, Downington, Pa. Applicant's attorneys: Chester A. Zyblut and Leonard A. Jaskiewicz, Munsey Building, Washington 4, D.C. Authority sought to operate as a common carrier, by motor vehicle over irregular routes, transporting: Lubricating oils, in bulk, in tank vehicles, from Coraopolis, Pa., to Sand Fork, W. Va., and rejected shipments, on return.

Note: Common control may be involved.

No. MC 107496 (Sub No. 173), filed August 8, 1960. Applicant: RUAN TRANSPORT CORPORATION, 408 SE. 30th Street, P.O. Box 855, Des Moines, Iowa. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Asphalt emulsion, in bulk, in tank vehicles, from Alton, Iowa, to points in and south of Big Stone, Stevens, Pope, Stearns, Sherburne, Isanti and Chisago Counties, Minn.

Note: Common control may be involved.

No. 112070 (Sub No. 5), filed July 28, 1960. Applicant: GRAY MOVING & STORAGE, INC., 1255 South Pearl Street, Denver, Colo. Applicant's attorney: Marion F. Jones, Suite 526, Denham Building, Denver 2, Colo. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Household goods, as defined by the Commission, between points in Colorado, on the one hand, and, on the other, points in Texas.

Note: Applicant states it presently holds authority to transport household goods between points Colorado and points in Texas, by tacking through Oklahoma, at a point within ninety (90) miles of Enid, Okla. The purpose of this application is to remove this required gate-way, which will permit a more direct service to approximately the western one-third (1/2) of Texas.

No. MC 114194 (Sub No. 30), filed August 1, 1960. Applicant: KREIDER TRUCK SERVICE, INC., 8003 Collinsville Road, East St. Louis, Ill. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Vegetable oils, corn products and blends thereof, in bulk, between Granite City, Ill., on the one hand, and, on the other, points in the United States, excluding Alaska and Hawaii (except caramel coloring from Granite City, Ill, to points in New York, Pennsylvania, Connecticut, Massachusetts and New Jersey, and corn syrup to points in that part of Ohio north and west of a line beginning at Cleveland and extending along U.S. Highway 42, through Mansfield to Delaware, thence along U.S. Highway 23 to Columbus, thence along U.S. Highway 42 through Xenia to Cincinnati; to points in that part of Michigan south of U.S. Highway 16; to points in that part of Texas east of U.S. Highway 81; and to points in that part of Wisconsin south of U.S. Highway

Note: Applicant states it presently holds authority to transport corn products, such as corn syrup, caramel coloring, starch, steepwater, etc., to many points in the

United States and the purpose of the application is to perform a complete service in this line of commodities.

No. MC 116465 (Sub No. 2), filed August 5, 1960. Applicant: YODER & FREY, INC., Archbold, Ohio. Applicant's representative: Earl J. Thomas, Thomas Buildings, 5844-5840 North High Street, Worthington, Ohio. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Agricultural machinery, implements and parts as described in Appendix XII to the report in Descriptions in Motor Carrier Certificates, 61 M.C.C. 209, except those requiring special equipment, between the site of Yoder & Frey, Inc. auction yard located approximately one and onequarter miles northwest of Archbold, Ohio on an unnumbered county road, on the one hand, and, on the other, points in Illinois, Pennsylvania, and Wisconsin.

No. MC 119317 (Sub No. 3), filed August 1, 1960. Applicant: GROSS AND SONS TRANSPORT COMPANY, a corporation, 1706 Arlington Street, Independence, Mo. Applicant's attorney: William Taylor, 1012 Baltimore Building, Kansas City 5, Mo. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: Ice cream, sherbert, ice, milk and frozen confections, pursuant to a continuing contract with National Dairy Products Corporation (Sealtest Foods Division) from Omaha, Nebr., to Kirksville, Mo., and empty containers or other such incidental facilities used in transporting the commodities specified in this application, and rejected, outdated and damaged shipments of the above commodities, on return.

No. MC 119846 (Sub No. 1), filed June 27, 1960. Applicant: CHARLES W. TOWSLEE, Manchester Depot, Vt. Authority sought to operate as a common carrier, by motor vehicle over irregular routes, transporting: Lumber, from points in Bennington County, Vt. to points in Berkshire, Franklin, Worcester, Hampshire, and Hampden Counties, Mass.; points in Rensselaer, Albany, Schoharie, Greene, Columbia, Schenectady, Montgomery Counties, and points in those parts of Washington, Saratoga, Fulton, Herkimer and Oneida Counties, N.Y., on and south of New York Highway 313, extending from the New York-Vermont State line to Greenwich, N.Y.; and from Greenwich, extending westerly, points on and south of New York Highway 29, and refused or damaged shipments of lumber, on return.

NOTICE OF FILING OF PETITIONS

No. MC 20876 (PETITION FOR CLAR-IFICATION AND MODIFICATION OF CERTIFICATE PURSUANT TO RULE, 1.102), dated July 1, 1960. Petitioner: FREEMAN PACK AND DAN PACK, doing business as PACK TRUCK LINES, Route No. 1, Ammon Road, Idaho Falls, Idaho. Petitioner's attorney: Kenneth G. Bell, 203 McCarty Building, Boise, Idaho. Certificate No. MC 20876 authorizes, among other things, the transportation of building materials, feed, seed, salt, machinery, and agricultural commodities, between Idaho Falls, Idaho

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and Salt Lake City, Utah, from Idaho Falls over U.S. Highway 91 to Downey, Idaho, thence over U.S. Highway 191 to junction U.S. Highway 305, thence over U.S. Highway 30 south to Brigham City, Utah (also from Downey over U.S. Highway 91 to Brigham City, Utah), thence over U.S. Highway 91 to Salt Lake City, and return over these routes. The subject petition requests waiver of § 1.101(e) of the general rules of practice, and states that under the term "building materials" above, petitioner has transported "pipes of all types", and prays the Commission clarify and modify Certificate No. MC 20876 to include the term pipe of all types and description. Any person or persons desiring to oppose the relief sought may file an appropriate pleading within 30 days from the date of this publication in the FEDERAL REGISTER.

No. MC 115519 (PETITION FOR RE-OPENING, RECONSIDERATION AND SETTING ASIDE ORDER OF REVO-CATION DATED MARCH 25, 1958), dated August 1, 1960. Petitioner: RUSSELL E. EGLOFF, Plymouth, Mich. Petitioner's attorney: Rex Eames, 1800-Buhl Building, Detroit 26, Mich. A Permit issued in the above docket number authorized the transportation as a contract carrier, over irregular routes, of concrete floor slabs and concrete roof slabs, from Livonia, Mich., to points in Ohio on and north of a line beginning at the Pennsylvania-Ohio State line and extending along U.S. Highway 30 to Mansfield, Ohio, thence along U.S. Highway 30N to Delphos, Ohio, and thence along U.S. Highway 30 to the Ohio-Indiana State line; and Damaged or returned shipments of concrete floor slabs and concrete roof slabs, from points in the above-specified destination territory to Livonia. Mich. By letter dated March 12, 1958, petitioner requested the Commission as follows: "I wish to retire my ICC permit at the present time. This is No. MC 115519." An Order of the Commission dated March 25, 1958, revoked the Permit No. MC 115519. The subject petition requests (1) That the provisions of § 1.101(e) of the general rules of practice relating to the filing of Petitions for Reconsideration within thirty (30) days after the date of service of an order be waived; (2) That this Commission reopen and reconsider its Order dated March 25, 1958, revoking the subject operating authority; and (3) That, upon such reopening and reconsideration, the Order of this Commission dated March 25, 1958, insofar as it is applicable in this proceeding be set aside and held for naught. Any person or persons desiring to oppose the relief sought may file an appropriate pleading within 30 days from the date of this publication in the FEDERAL REGISTER.

APPLICATIONS FOR CERTIFICATES OR PERMITS WHICH ARE TO BE PROCESSED CONCURRENTLY WITH APPLICATIONS UNDER SECTION 5 GOVERNED BY SPECIAL RULE 1.240 TO THE EXTENT APPLICABLE

No. MC 13806 (Sub No. 23), filed August 5, 1960. Applicant: VIRGINIA HAULING COMPANY, a corporation. Mailing address: P.O. Box 9525, Lakeside Station, Richmond, Va. Office ad-

dress: Mountain Road, Glen Allen, Va. Applicant's attorney: Paul A. Sherier, 613 Warner Building, 13th and E Streets NW., Washington 4, D.C. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Wire bound box material, wooden pallets, and pallet parts, from Richmond, Va., to Greensburg, Creighton, and Ford City, Pa., and damaged shipments of the commodities specified in this application, on return.

Note: This matter is directly related to MC-F 7511, and is filed for the purpose of having the contract carrier rights sought to be acquired converted to those of a common carrier.

Applications Under Sections 5 and 210a(b)

The following applications are governed by the Interstate Commerce Commission's special rules governing notice of filing of applications by motor carrier of property or passengers under sections 5(a) and 210a(b) of the Interstate Commerce Act and certain other proceedings with respect thereto (49 CFR 1.240).

MOTOR CARRIERS OF PROPERTY

No. MC-F 7586 (WEST NEBRASKA EXPRESS, INC.—PURCHASE—CARL J. FORSSTROM), published in the July 13, 1960, issue of the Federal Register on page 6596. Supplement filed July 27, 1960, to show joinder of CLARK N. WILLIAMS, 2109 Fourth Avenue, Scottsbluff, Nebr., and CHESTER H. FLIESBACH, R.F.D. No. 1, Scottsbluff, Nebr., as the persons controlling vendee.

No. MC-F 7597 published in the August 3, 1960, issue of the Federal Register on page 7301. Amendment filed August 4, 1960, to substitute DON WARD, INC., P.O. Box 1488, Durango, Colo., as vendee in lieu of VERL HARVEY, INC., doing business as DON WARD & CO., and for acquisition by DON WARD, 241 West 56th Avenue, Denver, Colo., and BOYD E. RICHNER, P.O. Box 1488, Durango, Colo., of control of the operating rights of KERK TRUCKING CO. through the purchase. DON WARD, INC., is authorized to operate as a common carrier in Utah, Colorado, and New Mexico.

No. MC-F 7604 (correction) (WILLIAM F. CARTWRIGHT—PURCHASE (PORTION)—EL RENO TRANSFER AND STORAGE CO.), published in the August 10, 1960, issue of the Federal Register on page 7561. Vendee's name was erroneously shown as WILLIAM F. CARTRIGHT.

No. MC-F 7617. Authority sought for purchase by H & S, INC., 2911 St. Clair Street, Jacksonville, Fla., of the operating rights and certain property of FLORIDA HIGHWAY EXPRESS, INC., Madison & Busch Streets, Tampa 1, Fla. Applicants' attorney: George A. Pierce, 103 Law Exchange Building, Jacksonville, Fla. Operating rights sought to be transferred: Such merchandise as is dealt in by wholesale, retail, and chain grocery and food business houses, and, in connection therewith, equipment, materials, and supplies used in the conduct of such business, as a contract carrier over irregular routes, between Jacksonville, Tampa, St. Petersburg, Clearwater,

Tarpon Springs, Palmetto, Bradenton, Manatee, Sarasota, Venice, Arcadia, Punta Gorda, Fort Myers, Avon Park, Sebring, Frostproof, Plant City, Mulberry, Bushnell, Brooksville, Dade City, Inverness, Haines City, Dundee, Lake Wales, Winter Haven, Auburndale, Zephyrhills, Lakeland, Bartow, Fort Meade, and Wauchula, Fla. Vendee is authorized to operate as a contract carrier in Florida, Georgia and South Carolina. Application has been filed for temporary authority under section 210a(b).

No. MC-F 7618. Authority sought for purchase by WATKINS MOTOR LINES. INC., Cassidy Road, Thomasville, Ga., of the operating rights of MYLES LOUIS MILLER, 2714 Decatur Street, New Orleans, La., and for acquisition by BILL WATKINS, also of Thomasville. of control of such rights through the purchase. Applicants' representatives: Bill Watkins, President, Watkins Motor Lines, Inc., Cassidy Road, Thomasville, Ga., Joseph H. Blackshear, Attorney at Law, 205 Jackson Building, Gainesville, Ga., and Myles Louis Miller, 2714 Decatur Street, New Orleans, La. Operating rights sought to be transferred: Those rights claimed in an application seeking a "grandfather" certificate under section 7 of the Transportation Act of 1958, which amended section 203(b) (6) of the Act, viz, frozen fruits, and bananas, as a common carrier over irregular routes. from New Orleans, La., to points in Louisiana, Mississippi, Arkansas, Tennessee, Missouri, Illinois, Minnesota, Iowa, South Dakota, Kansas, Nebraska, Oklahoma, Wisconsin, Ohio and Michigan. Vendee is authorized to operate as a common carrier in Georgia, Missouri, Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, New Jersey, New York, North Carolina, Pennsylvania, Virginia, West Virginia, Wisconsin, Ohio, Tennessee, Florida, Alabama, Connecticut, Iowa, Massachusetts, South Carolina, Arkansas, Mississippi, Louisiana, Oklahoma, Kansas, Nebraska, Rhode Island, Texas, Arizona, California, New Mexico, Maine, South Dakota, and the District of Columbia. Application has been filed for temporary authority under section 210a(b).

No. MC-F 7619. Authority sought for purchase by JACK TURNER, JACK E. TURNER, AND E. E. TURNER, doing business as TURNER BROS. TRUCK-ING CO., 5501 South Hattie, P.O. Box 4626, Oklahoma City, Okla., of a portion of the operating rights of GULF SOUTHWESTERN TRANSPORTATION COMPANY, 5812 Brock Street, P.O. Box 18104, Houston, Tex. Applicants' attorneys: James W. Hightower, 122 Wynnewood Professional Building, Dallas 24, Tex., and Joe C. Fender, 1421 Melrose Building, Houston, Tex. Operating rights sought to be transferred: Machinery and equipment used in, or in connection with, the discovery, development, production, refining, manufacture, processing, storage, transmissions, and distribution of sulphur and its products, and materials and supplies used in, or in connection with, the discovery, development, production, refining, manufacture, processing, storage, transmission, and

distribution of sulphur and its products. when moving to or from exploration, drilling, production, job, construction, and plant (including refining, manufacturing, and processing plant) sites, or storage sites, as a common carrier over irregular routes, between points in Texas, on the one hand, and, on the other, certain points in North Dakota; machinery, equipment, materials, and supplies used in, or in connection with, the drilling of water wells, between points in Mississippi, Alabama, Georgia, and Florida; oilfield commodities, between points in Texas, on the one hand, and, on the other, certain points in North Dakota and South Dakota. Vendee is authorized to operate as a common carrier in Colorado, Wyoming, Illinois, Nebraska, South Dakota, Missouri, Oklahoma, Kansas, Texas, Louisiana, New Mexico, and Mississippi. Application has been filed for temporary authority under section 210a(b).

No. MC-F 7620. Authority sought for purchase by HOWARD E. BLACKMON. doing business as HOWARD BLACK-MON TRUCK SERVICE, 1300-40th Street, Kenosha, Wis., of the operating rights of GORDON N. CAVES, doing business as CAVES TRUCKING CO., P.O. Box 56, Wild Rose, Wis. Applicants' attorney: Edward Solie, 1 South Pinckney Street, Madison 3, Wis. Operating rights sought to be transferred: Fertilizer, slag, expanded, (construction material aggregate), shipping containers, box shooks, pallets, lime, feed, metal battery carriers, materials, supplies, and equipment used in the manufacture of metal battery carriers, brick, cement, farm machinery and parts, seed, laminated wooden rafters and accessories, livestock, poultry (live and dressed), dressed meats, parts of ready-built houses, in truckloads, minimum 10,000 pounds, tile, washing and sterilizing tanks and equipment, and washing and sterilizing tanks and equipment, except those which, because of their size or weight, require the use of special equipment, as a common carrier over irregular routes, from, to or between points and areas, varying with the commodity transported, in Minnesota, Wisconsin, Illinois, Iowa, Indiana, Missouri, Michigan, Ohio and Nebraska. Vendee is authorized to operate as a common carrier in Wisconsin, Illinois, Indiana, Minnesota, Iowa, and Missouri. Application has not been filed for temporary authority under section 210a(b).

No. MC-F 7621. Authority sought for control and merger by QUINN FREIGHT LINES, INC., 1093 North Montello Street, Brockton, Mass., of the operating rights and property of W. A. STACKPOLE MOTOR TRANSPORTATION, INC., 476 Valley Street, Manchester, N.H., and for acquisition by THOMAS J. LYONS, also of Brockton, of control of such rights and property through the transaction. Applicants' attorneys: Mary E. Kelley, 10 Tremont Street, Boston, Mass., and Kenneth F. Graf and Arthur A. Greene, Jr., both of Forty Stark Street, Manchester, N.H. Operating rights sought to be controlled and merged: General commodities, excepting, among others, household goods and commodities in bulk, as a common carrier over regular

routes, between Trenton, N.J., and New York, N.Y., serving all intermediate and certain off-route points; general commodities, excepting, among others, commodities in bulk but not excepting household goods, between Boston, Mass., on the one hand, and, on the other, Milton and Dover, N.H., and Newburyport, Mass., between Haverhill, Mass., and Rochester, N.H., and between Rochester, N.H., and Milton, N.H., serving certain intermediate and off-route points; general commodities, excepting, among others, household goods and commodities in bulk, over irregular routes, between Manchester, N.H., and points within 20 miles of Manchester, on the one hand, and, on the other, New York, N.Y., Newark, N.J., and Boston, Mass., and points in Massachusetts within 15 miles of the State House in Boston; malt beverages, from Albany, Rochester, and Utica, N.Y., Newark, N.J., Cranston, Providence, and Warwick, R.I., Boston, Fall River, Lowell, and Springfield, Mass., Waterbury and West Haven, Conn., to Manchester, N.H., and points within 20 miles of Manchester, and to Keene, Newmarket, Portsmouth, and Rochester, N.H., and from New York, N.Y., to Keene, Newmarket, Portsmouth, and Rochester, N.H.; petroleum products, in containers, from Providence, R.I., and points within three miles of Providence, to Manchester, N.H., and points within 20 miles of Manchester; lumber, from points in New Hampshire on and south of U.S. Highway 302 to Hartford, Conn., Newark, and Fayson Lake, N.J., points in the NEW YORK, N.Y., COMMERCIAL ZONE, as defined by the Commission, and those in Massachusetts and Rhode Island, from Portsmouth and Providence, R.I., Boston, Mass., and points within 15 miles of the State House in Boston, to points in New Hampshire on and south of U.S. Highway 302 and those in Vermont on and south of U.S. Highway 4 and on and east of U.S. Highway 7, and from points in York County, Maine, to Rochester, N.H., and points in Massachusetts and Rhode Island; box shooks, from Rochester, N.H., to Newark and Jersey City, N.J., points in New York east of the Hudson River, and those in Connecticut, Massachusetts, Rhode Island, and Vermont, and from Manchester and Nashua. N.H., to Jersey City, N.J., points in New York east of the Hudson River (except New York City), points in Connecticut. Rhode Island, and Vermont, and those in Massachusetts except Boston and points within 15 miles of the State House in Boston; applies, from Manchester, N.H., and points within 20 miles of Manchester, to Red Hook, N.Y. QUINN FREIGHT LINES, INC., is authorized to operate as a common carrier in Maryland, New York, New Jersey, Pennsylvania, Massachusetts, Connecticut, Rhode Island, Virginia, Delaware, New Hampshire, Maine, Vermont and the District of Columbia. Application has been filed for temporary authority under section 210a(b).

No. MC-F 7622. Authority sought for purchase by TOM'S EXPRESS, INC., 3550 Main Street, Cove Station, Weirton, W. Va., of the operating rights and property of JOE DAVIS (JOHN BENDER, ADMINISTRATOR), 3423 Elm Street,

Hollidays Cove, W. Va. Applicants' representative: Guido Sessi, Secretary, Tom's Express, Inc., 3550 Main Street, Weirton, W. Va. Operating rights sought to be transferred: Steel, and machinery, materials, supplies, and equipment incidental to or used in the operation and maintenance of steel mills. as a common carrier over irregular routes, between points in Brooke and Hancock Counties, W. Va., on the one hand, and, on the other, points in Columbiana and Jefferson Counties. Ohio. Vendee is authorized to operate as a common carrier in West Virginia, New York, Michigan, Ohio and Pennsylvania. Application has not been filed for temporary authority under section 210a(b).

No. MC-F 7623. Authority sought for control by WARD TRANSFER, INC., Northeast North Street, Anoka, Minn., of JANSSEN TRANSFER, INC., Pine City, Minn., and for acquisition by JOHN E. WARD, 530 Van Buren Street, Anoka, Minn., WILLIAM J. WARD, Anoka, Minn., ADRIAN A. WARD, 1168 Fremont, Anoka, Minn., JAMES EDWARD WARD, 2321 North Ferry, Anoka, Minn., FORREST D. WARD, Route #2, Box 64, Osseo, Minn., DAVID P. WARD, 916 Fremont, Anoka, Minn., and ELIZA-BETH WARD GLICK, 890 River Lane, Anoka, Minn., of control of JANSSEN TRANSFER, INC., through the acquisition by WARD TRANSFER, INC. Applicant's attorney: L. D. Cutter, 316 East Main Street, Anoka, Minn. Operating rights sought to be controlled: Operations under the Second Proviso of section 206(a)(1), Interstate Commerce Act, covering the transportation, in the State of Minnesota, of freight, as a common carrier over regular routes, from the Twin Cities and South St. Paul to Hinckley, Beroun, Pine City, Rock Creek and Rush City over Highways 8 and 61, between Rush City, Rock Creek, Pine City, Beroun and Hinckley to Duluth via Highway 61, from South St. Paul, St. Paul and Minneapolis via Highway 61 to Beroun, Hinckley, Friesland, Sandstone, Rutledge, Willow River, Sturgeon Lake, Moose Lake and Pine City, and from Hinckley via Highways 23 and 48 to St. Croix Park and via State Aid Road #30 to Duxbury and return. All of the foregoing rights are subject to the following restrictions: (1) that applicant shall not transport, or accept for transportation. property or shipments moving between Minneapolis, St. Paul and the Twin Cities metropolitan area and Duluth, West Duluth and any municipality adjacent to either; (2) that applicant shall not transport, or accept for transportation from any connecting carrier or by interchange, at any terminal or intermediate point, any property or shipments originating in or moving from or through Minneapolis, St. Paul and the Twin Cities metropolitan area destined to Duluth, West Duluth or any municipality adjacent to either; (3) that applicant shall not transport, or accept for transportation from any connecting carrier or by interchange, at any terminal or intermediate point, any property or shipments originating in or moving from or through Duluth, West Duluth, or any municipality adjacent to either, which

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property or shipments are destined to Minneapolis, St. Paul or the Twin Cities metropolitan area. WARD TRANSFER, INC., is authorized to operate as a common carrier in Minnesota. Application has been filed for temporary authority under section 210a(b).

No. MC-F-7624. Authority sought for purchase by THE SANTA FE TRAIL TRANSPORTATION COMPANY, 433 East Waterman Street, P.O. Box 56, Wichita, Kans., of a portion of the operating rights and certain property of SANTA FE TRANSPORTATION COM-PANY, 1100 South San Pedro Street, Los Angeles, Calif., and for acquisition by THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, 80 East Jackson Boulevard, Chicago, Ill., of control of such rights and property through the purchase. Applicants' attorney: Francis J. Steinbrecher, 80 East Jackson Boulevard, Chicago, Ill. Operating rights sought to be transferred: General commodities, as a common carrier over regular routes, between Fresno, Calif., and Porterville, Calif., between Fresno, Calif., and Cutler, Calif., and between Oceanside, Calif., and Escondido, Calif., serving all intermediate points on the abovespecified routes which are on the lines of The Atchison, Topeka & Santa Fe Railway Company; general commodities, including mail and express, and except live animals and commodities in bulk, between Los Angeles, Calif., and San Bernardino, Calif., between San Bernardino, Calif., and Fontana, Calif., between San Bernardino, Calif., and Highland, Calif., between Redlands, Calif., and Yucaipa, Calif., between Redlands, Calif., and Mentone, Calif., and between Highland Calif., and San Bernardino, Calif., serving certain intermediate and off-route points; general commodities, excepting, among others, household goods and commodities in bulk, between specified points in California, serving certain intermediate points and subject to the following restrictions: (1) In Certificates Nos. MC 55223 and MC 55223 Sub 8(a) the service to be performed by carrier shall be limited to service which is auxiliary to, or supplemental of train service of The Atchison, Topeka and Santa Fe Railway Company, hereinafter called the railway, (b) all contractual arrangements between carrier and the railway shall be reported to the Commission and shall be subject to revision if and as the Commission finds it necessary in order that such arrangements shall be fair and equitable to the parties, and (c) such further specific conditions as the Commission in the future may find necessary to impose in order to restrict said carrier's operations to service which is auxiliary to, or supplemental of, rail service, (2) in No. MC 55223 only, shipments transported by said carrier shall be limited to those which it receives from or delivers to the Railway under a through bill of lading covering, in addition to movement by said carrier, an immediately prior or immediately subsequent movement by rail; (3) in No. MC 55223 Sub 8 only (a) carrier shall not serve any point not a station on the rail lines of the railway, (b) shipments transported by carrier

shall be limited to those which move under a through bill of lading, covering, in addition to a movement by carrier's trucks, an immediately prior or immediately subsequent movement by rail, and (c) shipments transported by carrier shall be limited to those moving under rail billing and under applicable rail lessthan-carload rates; general commodities, excepting, among others, household goods and commodities in bulk, over irregular routes, between Santa Ana, Calif., on the one hand, and, on the other, the U.S. Army Air Corps Replacement Center approximately six miles southwest of Santa Ana (subject to restrictions 1 and 2 above pertaining to MC 55223 only), and between points in Los Angeles, Calif., and those in the Los Angeles Harbor district as defined by the Commission; general commodities, between San Bernardino, Calif., and the sites of the United States Advanced Quartermaster's Depot and the United States Air Corps Maintenance and Replacement Depot, located near San Bernardino. Vendee is authorized to operate as a common carrier in Nebraska, Oklahoma, Kansas, Missouri, Arkansas, Colorado, New Mexico, and Texas. Application has not been filed for temporary authority under section 210a(b).

Note: Vendor is retaining all passenger operations.

By the Commission.

[SEAL]

HAROLD D. McCoy, Secretary.

[F.R. Doc. 60-7669; Filed, Aug. 16, 1960; 8:47 a.m.]

[Notice 366]

MOTOR CARRIER TRANSFER PROCEEDINGS

AUGUST 12, 1960.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part

179), appear below:

As provided in the Commission's general rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 30 days from the date of service of the order. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC 63279. By order of August 8, 1960, Division 4, Acting as an Appellate Division, approved the transfer to Donald Rufener and Eldon Showalter, a partnership, doing business as Dakota Film Service, Lake Benton, Minn., of a portion of Certificate No. MC 83217 Sub 10, issued February 13, 1959, to Dakota Express, Inc., Sioux Falls, South Dakota, authorizing the transportation of films, and articles associated with the exhibition of motion pictures, over regular routes, between specified points in South Dakota; between specified points in South Dakota and Minnesota; between

specified points in Minnesota; between specified points in Minnesota and North Dakota; and between specified points in South Dakota and North Dakota. Dakota Express, Inc., Wilson Terminal Building, P.O. Box 533, Sioux Falls, South Dakota, for transferor.

[SEAL]

HAROLD D. McCoy, Secretary.

[F.R. Doc. 60-7670; Filed, Aug. 16, 1960; 8:47 a.m.]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service
LOS ANGELES LIVESTOCK MARKET
ET AL.

Posted Stockyards

Pursuant to the authority delegated under the Packers and Stockyards Act, 1921, as amended (7 U.S.C. 181 et seq.), on the respective dates specified below it was ascertained that the livestock markets named below were stockyards within the definition of that term contained in section 302 of the act (7 U.S.C. 202) and were, therefore, subject to the act, and notice was given to the owners and to the public by posting notice at the stockyards as required by said section 302.

Name of Stockyard and Date of Posting

CALIFORNIA

Los Angeles Livestock Market, July 7, 1960 City of Industry. Producers Livestock Marketing July 7, 1960

Association, Artesia.

GEORGIA

Kite Stockyards, Kite_____ July 15, 1960

Cambridge Sale Yard, Cam- June 1, 1960 bridge.

Canton Livestock Inc., Canton. Apr. 27, 1960

Kentucky
Olive Hill Livestock Co., Olive May 12, 1960

Hill. Louisiana

Rayville Livestock Auction, July 13, 1960 Inc., Rayville.

MICHIGAN

Kings Dairy Replacement June 20, 1960 Auction, Kingston.

MINNESOTA

Austin Livestock Sales Barn July 14, 1960 Co., Austin.

MISSISSIPPI

Gulfport Livestock Yards, June 7, 1960 Gulfport. Nevada

Midwest Livestock Commis- July 8, 1960 sion Co., Fallon.

NEW YORK

Miller's Livestock Market June 30, 1960 Argyle.

Owego Livestock Sales, Owego... July 11, 1960

NORTH DAKOTA

Stanley Livestock Market, June 11, 1960 Stanley.

Pennsylvan**ia**

Old Tattersall, Inc., Oxford ___ June 7, 1960

TEXAS

Cen-Tex Livestock Commis- July 11, 1960 sion Co., Giddings.

Bosque County Commission July 11, 1960 Co., Meridian.

VIRGINIA

Russell County Cooperative, May 26, 1960 Inc., Lebanon.

Done at Washington, D.C., this 12th day of August 1960.

HOWARD J. DOGGETT,
Director, Packers and Stockyards Division, Agricultural
Marketing Service.

[F.R. Doc. 60-7684; Filed, Aug. 16, 1960; 8:49 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 54-221]

LOUISIANA GAS SERVICE CO. ET AL.

Order Approving Amendments to Plan

AUGUST 11, 1960.

In the matter of Louisiana Gas Service Company, Louisiana Power & Light Company, Middle South Utilities, Inc., File No. 54-221.

Louisiana Power & Light Company ("Louisiana Power"), a public-utility subsidiary company of Middle South Utilities, Inc. ("Middle South"), a registered holding company, has filed amends to a plan, heretofore approved by the Commission (Holding Company Act Release No. 13606, November 22, 1957), and ordered enforced by the United States District Court for the Eastern District of Louisiana (Civil No. 7316, January 14, 1958). The amendments have been joined in by Middle South and by

Part I-No. 160---6

Louisiana Gas Service Company, a subsidiary company of Louisiana Power; and

Due notice of the filing of the amendments to the plan having been given, affording all interested persons an opportunity to be heard (Holding Company Act Release No. 14246), and no hearing having been requested of or ordered by the Commission; and

The Commission having been requested; pursuant to section 11(e) and section 18(f) of the Act, that the Commission apply to a court to enforce and carry out the terms and provisions of the amendments to the plan and that this order contain appropriate recitals conforming to the requirements of sections 1081–1083, inclusive, and section 4332(2) of the Internal Revenue Code; and

The Commission having considered the record, and having this day filed its Findings and Opinion; on the basis of such findings and opinion:

It is ordered, That the amendments to the plan be, and hereby are, approved.

It is further ordered, That the sale of the shares of common stock of Louisiana Gas to the shareholders of Middle South, be, and hereby is, excepted from the requirements of paragraph (b) of Rule 50 promulgated under the Act.

It is further ordered, That this order shall not become operative to authorize the consummation of the transactions proposed in the amendments to the plan until an appropriate United States District Court shall, upon application thereto, enter an order enforcing the amendments to the plan.

It is further ordered, That jurisdiction be, and hereby is, reserved with respect to (a) the fees and expenses incurred and to be incurred in connection with the transactions proposed in the amendments to the plan, and their allocation; (b) the subscription price for the shares of common stock of Louisiana Gas to be sold to the shareholders of Middle South; and (c) the composition of the board of

directors of Louisiana Gas at the time the shares of its common stock are offered for sale to the shareholders of Middle South.

It is further ordered, That jurisdiction be, and the same hereby is, reserved to entertain such further proceedings, to make such further findings, to enter such further orders, and to take such further action, as the Commission may deem appropriate in connection with the amendments to the plan, the transactions incidental thereto, and the consummation thereof.

It is further ordered and recited, That the distribution by Louisiana Power and Louisiana Gas to the stockholders of Middle South of rights to purchase 670,000 shares of common stock of Louisiana Gas owned by Louisiana Power and not more than 40,000 shares of common stock of Louisiana Gas to be issued by Louisiana Gas as may be needed to satisfy the supplemental right under the Primary Subscription Right, the issuance of not more than 40,000 shares of common stock of Louisiana Gas, the sale and transfer of 670,000 shares of common stock of Louisiana Gas by Louisiana Power and the sale and transfer of not more than 40,000 shares of common stock of Louisiana Gas pursuant to the exercise of such rights are necessary or appropriate to the integration or simplification of the holding company system of which Louisiana Power and Louisiana Gas are members, and are necessary or appropriate to effectuate the provisions of section 11(b) of the Public Utility Holding Company Act of 1935, all in accordance with the meaning and requirements of sections 1081 to 1083, and section 4382(b) (2) of the Internal Revenue Code of 1954.

By the Commission.

[SEAL] ORVAL L. DUBOIS, Secretary.

[F.R. Doc. 60-7661; Filed, Aug. 16, 1960; 8:46 a.m.]

CUMULATIVE CODIFICATION GUIDE—AUGUST

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Washington, Wednesday, August 17, 1960

Uniform Systems of Accounts for Class C and Class D Natural Gas Companies

FEDERAL POWER COMMISSION

[18 CFR Part 204]

[Docket No. R-186]

REVISION OF UNIFORM SYSTEM OF ACCOUNTS FOR CLASS C NATURAL GAS COMPANIES SUBJECT TO PRO-VISIONS OF NATURAL GAS ACT

Notice of Proposed Rulemaking

1. Notice is hereby given of proposed rulemaking in the above-entitled matter.

2. It is proposed to amend, effective January 1, 1961, Part 204—Application of Uniform System of Accounts to Class C and Class D Natural Gas Companies, of Subchapter F—Accounts, Natural Gas Act, of Chapter I—Federal Power Commission, Title 18—Conservation of Power, of the Code of Federal Regulations (CFR), to prescribe a revised Uniform System of Accounts Prescribed for Natural Gas Companies Subject to the Provisions of the Natural Gas Act (Class C), as set forth below.

3. Part 204 §§ 204.1-204.8, of said Title and Code correspond to, and appear at, pages 179-200 of the Commission's pamphlet publication of its Uniform System of Accounts Prescribed for Natural Gas Companies Subject to the Provisions of the Natural Gas Act. Effective January 1, 1940, with amendments effective January 1, 1954, as amended by Order No. 203 issued May 29, 1958 (23 F.R. 4164, June 12, 1958). The aforesaid Uniform System of Accounts was prescribed by Commission Order No. 69 of November 3, 1939, effective January 1, 1940, and was contained in the codification and reissuance of the Commission's general rules promulgated by Commission Order No. 141, December 11, 1947, effective January 1, 1948 (12 F.R. 8461). The proposed revised System of Accounts does not follow the numbering system required for the Code of Federal Regulations but follows the numbering system (accounts, instructions, definitions, etc.) used in the Commission's pamphlet edition referred to above.

4. Important developments in the natural gas industry since the adoption in 1939 of the Uniform System of Accounts effective January 1, 1940, and the experience of the Commission over the past 21 years indicate the need for the System of Accounts herein proposed.

5. Heretofore, the Commission has not had a separately issued Uniform System of Accounts for Class C Natural Gas Companies, as such. The accounting requirements presently effective for small utilities (Class C and Class D), consist of an abridgment of the accounts for large natural gas companies by means of account charts appearing as Appendix II of the pamphlet version of the Uniform System of Accounts. these account charts, the condensed accounts applicable to small utilities are indicated by bracketing related account titles applicable to Class A and Class B utilities. The result is that small utilities have had to work with an inordinate amount of textual materials designed for larger utilities. The objective of the proposed System of Accounts is to prowide these smaller utilities with a simplified System of Accounts appropriate for the magnitude of their operations.

6. The proposed System of Accounts set forth below reflects the basic principles found in this Commission's recently issued revised Uniform System of Accounts for Class A and Class B Natural Gas Companies Subject to the Provisions of the Natural Gas Act, Docket No. R-174. The proposed System of Accounts introduces the following important improvements in this Commission's small utility accounting requirements:

- a. New size classifications for gas utilities:
- b. Simple plant and expense classifications for manufactured gas;
 - c. Certain necessary new accounts;
- d. New arrangement of balance sheet and certain other accounts to make them more informative;
- e. A reduced number of expense account classifications, mainly but not entirely, by the discontinuance of segregations of numerous functional accounts as to labor and other expenses:
- f. Expanded items lists of account texts and clearer description of such items according to their functional nature, to facilitate use and consistency of respective account classifications; and
- g. Restatements of the accounting aspects of certain accounting interpretations issued in the past.
- 7. The System of Accounts herein proposed conforms basically to that for which a resolution was adopted at the convention of the National Association of Railroad and Utility Commissioners (NARUC) held in Phoenix, Arizona, on November 17, 1958, with a few modifications.
- 8. The System of Accounts proposed for adoption herein deviates from the NARUC system of accounts only to the extent necessary to make it more suitable to this Commission's accounting responsibilities but such deviations do not conflict with the basic principles of the NARUC system. The NARUC system of accounts gives consideration to the fact that the State commissions, in addition to jurisdiction over gas utility operations, ordinarily have jurisdiction over electric and water utility operations of joint utilities. Consequently, the balance sheet classifications for plant and accumulated provisions for depreciation, depletion and amortization (reserves) are identified in the NARUC system as "utility" accounts. In the FPC System of Accounts these balance sheet accounts and related instructions are directed to "natural gas" operations and summary accounts provided for the plant and "reserves" of other utility departments. Likewise, in the FPC version utility operating income accounts are identified with the natural gas department and a special summary account provided for the operating income of other, non-gas, utility departments. Similar differences exist between present FPC and NARUC Systems of Accounts. The Commission's present report form, however, is coordinated for joint use by this and State commissions and necessary summary information of other utility department operations is therein

disclosed. It is expected that this reporting arrangement will continue.

The proposed FPC System of Accounts adheres to the NARUC system of accounts, except as explained above and except for a few instances of notations in account texts and instructions which are of special significance to the FPC. These exceptions which do not disturb the basic conformity with the NARUC system of accounts, are as follows:

a. Definition 8, which defines cost for the purpose of the Uniform System of Accounts, includes a qualifying phrase to assure caution in the manner of application of Definition 8 to merger and pooling of interest transactions.

b. General Instruction 3C is modified for FPC purposes to require account numbers to be parts of account titles, and to require ledger accounts to be identified with prescribed account numbers where the utility adopts a special numbering system for machine accounting purposes. The staff believes these identifications are necessary in order to preserve the integrity of the prescribed System of Accounts for reporting, auditing, and citation purposes.

c. Gas Plant Account Instruction 4B (2), which relates to accumulated provisions for depreciation, depletion and amortization to be considered in accounting for gas plant purchased, is simplified in the FPC System of Accounts by the deletion of certain qualifying phrases which appear in the NARUC system. These deletions will, in the opinion of the staff, avoid administrative ambiguities.

d. Accounts 281, 282, 283, Accumulated Deferred Income Taxes, are included in the FPC's proposed System of Accounts whereas no comparable accounts are provided by the NARUC system of accounts. Complementing these accounts are Accounts 410 and 411, added to the income accounts as authorized by this Commission's Order No. 203 amending the present System of Accounts.

e. Account 403, Depreciation and Depletion Expense, of the FPC's proposed System of Accounts has been revised because the FPC instruction is addressed to natural gas companies, whereas the NARUC system specified that the account be subdivided by utility departments.

9. The Commission recognizes that some burden and expense will have to be borne by the companies affected in connection with the transition from the present accounting requirements to the revised System of Accounts.

This problem was, however, kept in mind by the NARUC Committee on Statistics and Accounts which worked on the revision as well as by the staff of this Commission which participated in the work of the NARUC Committee. The Commission is of the opinion that the physical burden and monetary cost of the changeover is of minor importance when viewed in relation to the future benefits of the new System of Accounts.

10. The appended proposed Uniform System of Accounts Prescribed for Natural Gas Companies Subject to the Provisions of the Natural Gas Act (Class C) is proposed to be issued under the

authority granted to the Federal Power Commission by the Natural Gas Act, as amended, particularly sections 8, 10, and 16 thereof (52 Stat. 825, 826, and 830; 15 U.S.C. 717g, 717i, and 717o).

11. Any interested person may submit to the Federal Power Commission not later than September 19, 1960, data, views, and comments in writing concerning the proposed revised System of Accounts. An original and nine copies should be filed of any such submittals. The Commission will consider these written submittals before acting upon the proposed System of Accounts.

[SEAL]

JOSEPH H. GUTRIDE, Secretary.

AUGUST 12, 1960.

UNIFORM SYSTEM OF ACCOUNTS PRESCRIBED FOR CLASS C NAT-URAL GAS COMPANIES SUBJECT TO THE PROVISIONS OF THE NATURAL GAS ACT

Definitions

When used in this system of accounts: 1. "Accounts" means the accounts prescribed in this system of accounts.

- 2. "Actually issued," as applied to securities issued or assumed by the utility, means those which have been sold to bona fide purchasers for a valuable consideration, those issued as dividends on stock and those which have been issued in accordance with contractual requirements direct to trustees of sinking funds.
- 3. "Actually outstanding," as applied to securities issued or assumed by the utility, means those which have been actually issued and are neither retired nor held by or for the utility; provided, however, that securities held by trustees shall be considered as actually outstanding.
- 4. "Amortization" means the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.
- 5. A. "Associated companies" means companies or persons that, directly or indirectly, through one or more intermediaries, control, or are controlled by, or are under common control with, the accounting company.
- B. "Control" (including the terms "controlling," "controlled by," and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trust, associated companies, contract or any other direct or indirect means.
- 6. "Book cost" means the amount at which property is recorded in these accounts without deduction of related pro-

visions for accrued depreciation. depletion, amortization, or for other purposes.
7. "Commission" means the Federal

- Power Commission.
- 8. "Cost" means the amount of money actually paid for property or services. When the consideration given is other than cash in a purchase and sale transaction, as distinguished from a transaction involving the issuance of common stock in a merger or a pooling of interest, the ralue of such consideration shall be determined on a cash basis.
- 9. "Cost of removal" means the cost of demolishing, dismantling, tearing down or otherwise removing gas plant, including the cost of transportation and handling incidental thereto.
- 10. "Debt expense" means all expenses in connection with the issuance and initial sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds and certificates of indebtedness; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid un lerwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.
- 11a. "Depletion." as applied to natural gas producing land and land rights, means the loss in service value incurred in connection with the exhaustion of the natural resource in the course of service.
- 11b. "Depreciation," as applied to depreciable gas plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of gas plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities, and, in the case of natural gas companies, the exhaustion of natural resources.
- 12. "Discount" as applied to the securities issued or assumed by the utility, means the excess of the par (stated value of no-par stocks) or face value of the securities plus interest or dividends accrued at the date of the sale over the cash value of the consideration received from their sale.
- 13. "Investment advances" means advances, represented by notes or by book accounts only, with respect to which it is mutually agreed or intended between the creditor and debtor that they shall be settled by the issuance of securities or shall not be subject to current settlement.
- 14. "Minor items of property" means the associated parts or items of which retirement units are composed.
- 15. "Natural gas" means either natural gas unmixed, or any mixture of natural and artificial gas.
- 16. "Natural gas company" means a person engaged in the transportation of natural gas in interstate commerce, or the sale in interstate commerce of such gas for resale.

- 17. "Net salvage value" means the salvage value of property retired less the cost of removal.
- 18. "Nominally issued," as applied to securities issued or assumed by the utility, means those which have been signed, certified, or otherwise executed, and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the utility, but which have not been sold, or issued direct to trustees of sinking funds in accordance with contractual requirements.
- 19. "Nominally outstanding," as applied to securities issued or assumed by the utility, means those which, after being actually issued, have been reacquired by or for the utility under circumstances which require them to be considered as held alive and not retired: Provided, however, That securities held by trustees shall be considered as actually outstanding.
- 20. "Original cost." as applied to gas plant, means the cost of such property to the person first devoting it to public service.
- 21. "Person" means an individual, a corporation, a partnership, an association, a joint stock company, a business trust, or any organized group of persons, whether incorporated or not, or any receiver or trustee.
- 22. "Premium." as applied to securities issued or assumed by the utility, means the excess of the cash value of the consideration received from their sale over the sum of their par (stated value of nopar stocks) or face value and interest or dividends accrued at the date of sale.
- 23. "Property retired," as applied to gas plant, means property which has been removed, sold, abandoned, destroyed, or which for any cause has been stroyed, or wither to withdrawn from service. "replacement,"
- when not otherwise indicated in the context, means the construction or installation of gas plant in place of property retired, together with the removal of the property retired.
- 25. "Retirement units" means those items of gas plant which, when retired, with or without replacement, are accounted for by crediting the book cost thereof to the gas plant account in which included.
- 26. "Salvage value" means the amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale; or, if retained, the amount at which the material recoverable is chargeable to materials and supplies, or other appropriate account.
- 27. "Service life" means the time between the date gas plant is includible in gas plant in service, or gas plant leased to others, and the date of its retirement. If depreciation is accounted for on a production basis rather than on a time basis, then service life should be measured in terms of the appropriate unit of production.
- 28. "Service value" means the difference between original cost and net salvage value of gas plant.
- 29. "Utility," as used herein and when not otherwise indicated in the context, means any natural gas company to which this system of accounts is applicable.

General Instructions

1. Classification of Utilities.

A. For the purpose of applying systems of accounts prescribed by the Commission, natural gas companies are divided into four classes, as follows:

Class A. Natural gas companies having annual gas operating revenues of \$2,500,000 or more.

Class B. Natural gas companies having annual gas operating revenues of \$1,000,000 or more but less than \$2,500,000.

Class C. Natural gas companies having annual gas operating revenues of \$150,000 or more but less than \$1,000,000.

Class D. Natural gas companies having annual gas operating revenues of \$25,000 or more but less than \$150,000.

B. This system of accounts applies to Class C utilities. Those applicable to Classes A and B and to Class D utilities are issued separately.

C. The class to which any utility belongs shall originally be determined by the average of its annual gas operating revenues for the last three consecutive years. Subsequent changes in classification shall be made when the annual gas operating revenues for each of the three immediately preceding years shall exceed the upper limit, or be less than the lower limit, of the annual gas operating revenues of the classification previously applicable to the utility.

D. Any utility may, at its option, adopt the system of accounts prescribed by the Commission for any larger class of utilities.

2. Records.

A. Each utility shall keep its books of account, and all other books, records, and memoranda which support the entries in such books of account so as to be able to furnish readily full information as to any item included in any account. Each entry shall be supported by such detailed information as will permit ready identification, analysis, and verification of all facts relevant thereto.

B. The books and records referred to herein include not only accounting records in a limited technical sense, but all other records, such as minute books, stock books, reports, correspondence, memoranda, etc., which may be useful in developing the history of or facts regarding any transaction.

C. No utility shall destroy any such books or records unless the destruction thereof is permitted by rules and regulations of the Commission.

D. In addition to prescribed accounts, clearing accounts, temporary or experimental accounts, and subdivisions of any account, may be kept, provided the integrity of the prescribed accounts is not impaired.

E. All amounts included in the accounts prescribed herein for gas plant and operating expenses shall be just and reasonable and any payments or accruals for by the utility in excess of just and reasonable charges shall be included in account 426, Other Income Deductions

F. The arrangement or sequence of the accounts prescribed herein shall not be controlling as to the arrangement or

sequence in report forms which may be prescribed by the Commission.

3. Numbering System.

A. The account numbering plan used herein consists of a system of three-digit whole numbers as follows:

100-199 Assets and other debits.

200-299 Liabilities and other credits.

300-399 Plant accounts. 400-439 Income accounts.

480-499 Revenue accounts.

700-799 Production, transmission and dis-

tribution expenses.

900-949 Customer accounts, sales and general administrative expenses.

B. In certain instances, numbers have been skipped in order to allow for possible later expansion or to permit better coordination with the numbering system for other utility departments.

C. The numbers prefixed to account titles are to be considered as part of the titles. Each utility, however, may adopt for its own purposes a different system of account numbers (See also general instruction 2D) provided that the numbers herein prescribed shall appear in the descriptive headings of the ledger accounts and in the various sources of original entry; however, if a utility uses a different group of account numbers and it is not practicable to show the prescribed account numbers in the various sources of original entry, such reference to the prescribed account numbers may be omitted from the various sources of original entry. Moreover, each utility using different account numbers for its own purposes shall keep readily available a list of such account numbers which it uses and a reconciliation of such account numbers with the account numbers provided herein. It is intended that the utility's records shall be so kept as to permit ready analysis by prescribed accounts (by direct reference to sources of original entry to the extent practicable) and to permit preparation of financial and operating statements directly from such records at the end of each accounting period according to the prescribed accounts.

4. Accounting Period.

Each utility in Class C shall keep its books on a monthly basis so that for each accounting period all transactions applicable thereto, as nearly as may be ascertained, shall be entered in the books of the utility. Each utility shall close its books at the end of each calendar year unless otherwise authorized by the Commission.

5. Submittal of Questions.

To maintain uniformity of accounting, utilities shall submit questions of doubtful interpretation to the Commission for consideration and decision.

6. Item Lists.

Lists of "items" appearing in the texts of the accounts or elsewhere herein are for the purpose of more clearly indicating the application of the prescribed accounting. The lists are intended to be representative, but not exhaustive. The appearance of an item in a list warrants the inclusion of the item in the account mentioned only when the text of the account also indicates inclusion inasmuch as the same item frequently appears in more than one list. The

proper entry in each instance must be determined by the texts of the accounts.

7. Accounting To Be on Accrual Basis.
A. The utility is required to keep its accounts on the accrual basis. This requires the inclusion in its accounts of all known transactions of appreciable amount which affect the accounts. If bills covering such transactions have not been received or rendered, the amounts shall be estimated and appropriate adjustments made when the bills are

B. When payments are made in advance for items such as insurance, rents, taxes, or interest, the amount applicable to future periods shall be charged to account 165, Prepayments, and spread over the periods to which applicable by credits to account 165, and charges to the accounts appropriate for the expenditure.

8. Distribution of Pay and Expenses of Employees.

The charges to gas plant, operating expense and other accounts for services and expenses of employees engaged in activities chargeable to various accounts, such as construction, maintenance, and operations, shall be based upon the actual time engaged in the respective classes of work, or in case that method is impracticable, upon the basis of a study of the time actually engaged during a representative period.

9. Payroll Distribution.

Underlying accounting data shall be maintained so that the distribution of the cost of labor charged direct to the various accounts will be readily available. Such underlying data shall permit a reasonably accurate distribution to be made of the cost of labor charged initially to clearing accounts so that the total labor cost may be classified among construction, cost of removal, gas operating functions (production, storage, transmission, distribution, etc.) and nonutility operations.

10. Operating Reserves.

Accretions to operating reserve accounts made by charges to operating expenses shall not exceed a reasonable provision for the expense. Material balances in such reserve accounts shall not be diverted from the purpose for which provided unless the permission of the Commission is first obtained.

11. Accounting for Other Depart-

If the utility also operates other utility departments, such as electric, water, etc., it shall keep such accounts for the other departments as may be prescribed by proper authority and in the absence of prescribed accounts, it shall keep such accounts as are proper or necesary to reflect the results of operating each such department. It is not intended that proprietary and similar accounts which apply to the utility as a whole shall be departmentalized.

12. Gas Well Records.

Each utility with natural gas operations shall maintain operating or accounting records for each well showing (a) acreage on which drilled, (b) dates of drilling period, (c) cost of drilling, (d) depth of well, (e) particulars and depth of each stratum drilled through,

(f) geological formation from which gas is obtained, (g) initial rock pressure and open flow capacity, (h) sizes of casing used and lengths of each size, (i) total cost of well as recorded in gas plant accounts, (j) date well abandoned, for wells once productive, (k) date transferred to underground storage plant, for wells converted to storage use, and (l) date drilling discontinued, for wells determined to be nonproductive. The foregoing data, as appropriate, shall also be maintained for each subsequent change in the depth of each well.

· Gas Plant Instructions

1. Gas Plant To Be Recorded at Cost.

A. All amounts included in the accounts for gas plant acquired as an operating unit or system, except as otherwise provided in the texts of the intangible plant accounts, shall be stated at the cost incurred by the person who first devoted the property to utility service. All other gas plant shall be included in the accounts at the cost incurred by the utility. Where the term "cost" is used in the detailed plant ac-

counts, it shall have the meaning stated

in this paragraph.

B. When the consideration given for property is other than cash, the value of such consideration shall be determined on a cash basis. (See, however, definition 8.) In the entry recording such transaction, the actual consideration shall be described with sufficient particularity to identify it. The utility shall be prepared to furnish the Commission the particulars of its determination of the cash value of the consideration if other than cash.

C. When property is purchased under a plan involving deferred payments, no charge shall be made to the gas plant accounts for interest, insurance, or other expenditures occasioned solely by such

form of payment.

D. Gas plant contributed to the utility or constructed by it from contributions to it of cash or its equivalent shall be charged to the gas plant accounts at cost of construction, estimated if not known. There shall be credited to the accounts for accumulated depreciation, depletion and amortization the estimated amount of depreciation and amortization applicable to the property at the time of its contribution to the utility. The difference between the amounts included in the gas plant accounts and the accumulated depreciation, depletion and amortization shall be credited to account 271, Contributions in Aid of Construction.

2. Components of Construction Cost. The cost of construction of property chargeable to the gas plant accounts shall include, where applicable, the cost of labor, materials and supplies, transportation, work done by others for the utility, injuries and damages incurred in construction work, privileges and permits, special machine service, interest during construction and such portion of general engineering, administrative salaries and expenses, insurance, taxes and other analogous items as may be properly includible in construction costs.

3. Overhead Construction Costs.

A. All overhead construction costs, such as engineering, supervision, general office salaries and expenses, construction engineering and supervision by others than the accounting utility, law expenses, insurance, injuries and damages, relief and pensions, taxes and interest, shall be charged to particular jobs or units on the basis of the amounts of such overheads reasonably applicable thereto, to the end that each job or unit shall bear its equitable proportion of such costs and that the entire cost of the unit, both direct and overhead, shall be deducted from the plant accounts at the time the property is retired.

B. As far as practicable, the determination of payroll charges includible in construction overheads shall be based on timecard distributions thereof. Where this procedure is impractical, special studies shall be made periodically of the time of supervisory employees devoted to construction activities to the end that only such overhead costs as have a definite relation to construction shall be capitalized. The addition to direct construction costs of arbitrary percentages or amounts to cover assumed overhead costs is not permitted.

4. Gas Plant Purchased or Sold.

A. When gas plant constituting an operating unit or system is acquired by purchase, merger, consolidation, liquidation, or otherwise, after the effective date of this system of accounts, the costs of acquisition, including expenses incidental thereto properly includible in utility plant, shall be charged to account 102, Gas Plant Purchased or Sold.

B. The accounting for the acquisition shall then be completed as follows:

(1) The original cost of plant, estimated if not known, shall be credited to account 102, Gas Plant Purchased or Sold, and concurrently charged to the appropriate utility plant in service accounts and to account 104, Gas Plant Leased to Others, account 105, Gas Plant Held for Future Use, and account 107, Construction Work in Progress—Gas, as appropriate.

(2) The depreciation, depletion and amortization applicable to the original cost of the properties purchased, shall be charged to account 102, Gas Plant Purchased or Sold, and concurrently credited to the account for accumulated provision for depreciation, depletion and

amortization.

(3) The cost to the utility of any property includible in account 121, Nonutility Property, shall be transferred thereto.

- (4) The amount of contributions in aid of construction applicable to the property acquired shall be charged to account 102, Gas Plant Purchased or Sold, and concurrently credited to account 271, Contributions in Aid of Construction, unless otherwise authorized by the Commission.
- (5) The amount remaining in account 102, Gas Plant Purchased or Sold, shall then be closed to account 114, Gas Plant Acquisition Adjustments.
- C. If property acquired in the purchase of an operating unit or system is in such physical condition when acquired

that it is necessary substantially to rehabilitate it in order to bring the property up to the standards of the utility, the cost of such work, except replacements, shall be accounted for as a part of the purchase price of the property.

D. When any property acquired as an operating unit or system includes duplicate or other plant which will be retired by the accounting utility in the reconstruction of the acquired property or its consolidation with previously owned property, the proposed accounting for such property shall be presented to the Commission.

E. In connection with the acquisition of gas plant constituting an operating unit or system, the utility shall procure, if possible, all existing records relating to the property acquired, or certified copies thereof, and shall preserve such records in conformity with regulations or practices governing the preservation of records of its own construction.

F. When gas plant constituting an operating unit or system is sold, conveved, or transferred to another by sale, merger, consolidation, or otherwise, the book cost of the property sold or transferred to another shall be credited to the appropriate gas plant accounts, including amounts carried in account 114, Gas Plant Acquisition Adjustments, and the amounts (estimated if not known) carried with respect thereto in the accounts for accumulated provision for depreciation, depletion, and amortization and in account 252, Customer Advances for Construction, and account 271, Contributions in Aid of Construction, shall be charged to such accounts and the contra entries made to account 102, Gas Plant Purchased or Sold. Unless otherwise ordered by the Commission, the difference, if any, between (a) the net amount of debits and credits and (b) the consideration received for the property (less commissions and other expenses of making the sale) shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus. (See account 102, Gas Plant Purchased or Sold.)

Note: In cases where existing utilities merge or consolidate because of financial or operating reasons or statutory requirements rather than as a means of transferring title of purchased properties to a new owner, the accounts of the constituent utilities, with the approval of the Commission, may be combined. In the event original cost has not been determined, the resulting utility shall proceed to determine such cost as outlined herein.

5. Expenditures on Leased Property.

A. The cost of substantial initial improvements (including repairs, rearrangements, additions and betterments) made in the course of preparing for utility service property leased for a period of more than one year, and the cost of subsequent substantial additions, replacements, or betterments to such property, shall be charged to the gas plant account appropriate for the class of property leased. If the service life of the improvements is terminable by action of the lease, the cost, less net salvage, of the improvements shall be spread over the life of the lease by charges to

account 404, Amortization of Limited-Term Gas Plant. However, if the service life is not terminated by action of the lease but by depreciation proper, the cost of the improvements, less net salvage, shall be accounted for as depreciable plant.

B. If improvements made to property leased for a period of more than one year are of relatively minor cost, or if the lease is for a period of not more than one year, the cost of the improvements shall be charged to the account in which the rent is included, either directly or by amortization thereof.

6. Land and Land Rights.

- A. The accounts for land and land rights shall include the cost of land owned in fee by the utility and rights, interests, and privileges held by the utility in land owned by others, such as leaseholds, easements, rights of way, natural gas rights, and other like interests in land.
- B. Where special assessments for public improvements provide for deferred payments, the full amount of the assessments shall be charged to the appropriate land account and the unpaid balance shall be carried in an appropriate liability account. Interest on unpaid balances shall be charged to the appropriate interest account. If any part of the cost of public improvements is included in the general tax levy, the amount thereof shall be charged to the appropriate tax account.
- C. The net profit from the sale of timber, cord wood, or other property acquired with rights of way or other lands shall be credited to the appropriate land and land rights or clearing land account. Where land is held for a considerable period of time and timber on the land at the time of purchase increases in value, the net profit (after giving effect to the cost of the timber) from the sales of timber or its products shall be credited to account 421, Miscellaneous Nonoperating Income.
- D. Separate entries shall be made for the acquisition, transfer or retirement of each parcel of land, and each land right (except rights of way for distribution lines), or water right, having a life of more than one year. A record shall be maintained showing the nature of ownership, full legal description, area, map reference, purpose for which used, city, county, and tax district in which situated, from whom purchased or to whom sold, payment given or received, other costs, contract date and number, date of recording of deed, and book and page of record. Entries transferring or retiring land or land rights shall refer to the original entry recording its acquisition.
- E. Any difference between the amount received from the sale of land or land rights, less agents' commissions and other costs incident to the sale, and the book cost of such land or rights, shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, as appropriate, unless a reserve therefor has been authorized and provided. Appropriate adjustments of the accounts shall be

made with respect to any structures or improvements located on land sold.

F. The cost of buildings and other improvements (other than public improvements) shall not be included in the land accounts. If at the time of acquisition of an interest in land such interest extends to buildings or other improvements (other than public improvements), which are then devoted to utility operations, the land and improvements shall be separately appraised and the cost allocated to land and buildings or improvements on the basis of the appraisals. If the improvements are removed or wrecked without being used in operations, the cost of removing or wrecking shall be charged and the salvage credited to the account in which the cost of the land is recorded.

G. When the purchase of land for gas operations requires the purchase of more land than needed for such purposes, the charge to the specific land account shall be based upon the cost of the land purchased, less the fair market value of that portion of the land which is not to be used in utility operations. The portion of the cost measured by the fair market value of the land not to be used shall be included in account 105, Gas Plant Held for Future Use, or account 121, Nonutility Property, as appropriate. Regarding land and land rights held for the production of natural gas, account 101, Gas Plant in Service shall include (1) the cost of lands owned in fee upon which producing natural gas wells are located or land owned in fee which are being drained through the operation by the utility of wells on the other land, and (2) the first cost of lands held under lease upon which the utility pays royalties for the natural gas obtained therefrom. The cost of all other land and land rights held for the production of natural gas under a definite plan for such use shall be included in account 105, Gas Plant Held for Future Use.

NOTE: In addition to the accounting records prescribed herein, supplemental records of land and land rights held for future use shall be kept in such manner as to permit the segregation within a reasonable time of the land and land rights constituting (1) productive but nonproducing fields, (2) unproven or undeveloped fields, and (3) storage fields, and to show the following data with respect to each natural gas lease, regardless of the accounting treatment accorded the lease costs; (a) name of lessor, (b) location of leasehold and number of other identification assigned thereto, (c) date and period of lease agreement, (d) first cost of lease including details of the elements of such cost, (e) annual rental provisions, (f) date and cost of drilling, (g) date gas determined to exist, (h) date of completion of first well drilled by the utility in each pool of gas, (i) royalty provisions, (j) amortization and depletion provisions, and (k) date of abandonment of lease.

H. Provision shall be made for amortizing amounts carried in the accounts for limited-term interests in land, so as to apportion equitably the cost of each interest over the life thereof. For the purposes of amortization of natural gas rights, separate intersts in land which comprise an interest in a production area may be grouped to form a depletion unit.

(See account 403, Depreciation and Depletion Expense, and account 110, Accumulated Provision for Depreciation, Depletion and Amortization of Gas Plant, for the accounting for depletion of producing natural gas lands and land rights. See also account 722, Abandoned Leases, for the accounting for abandonments of natural gas leases which have never been productive.)

I. The items of cost to be included in the accounts for land and land rights are as follows:

- 1. Bulkheads, buried, not requiring maintenance or replacement.
- 2. Cost, first, of acquisition including mortgages and other liens assumed (but not subsequent interest thereon).
- 3. Clearing (first cost) the land of brush, trees, and debris.
- 4. Condemnation proceedings, including court and counsel costs.
- 5. Consents and abutting damages, payment for.
- 6. Conveyancers' and notaries' fees.
 7. Fees, commissions, and salaries to brokers, agents and others in connection with the acquisition of the land or land
- 8. Grading the land, except when directly occasioned by the building of a structure.

9. Leases, cost of voiding upon purchase to secure possession of land.

10. Removing, relocating, or reconstructing

property of others such as buildings, highways, railroads, bridges, cemeteries, churches, telephone and power lines, etc., in order to acquire quiet possession.

11. Retaining walls unless identified with structures.

12. Special assessments levied by public authorities for public improvements on the basis of benefits for new roads, new bridges, new sewers, new curbing, new pavements, and other public improvements, but not taxes levied to provide for the maintenance of such improvements.

13. Surveys in connection with the acquisition, but not amounts paid for topographical surveys and maps where such costs are attributable to structures or plant equipment erected or to be erected or installed on

such land.

14. Taxes assumed, accrued to date of transfer of title.

- 15. Title, examining, clearing, insuring and registering in connection with the acquisition and defending against claims relating to the period prior to the acquisition.
- 16. Appraisals prior to closing title. 17. Cost of dealing with distributees or legatees residing outside of the State or county, such as recording power of attorney, recording will or exemplification of will, recording satisfaction of State tax.
 - 18. Filing satisfaction of mortgage.

19. Documentary stamps.

20. Photographs of property at acquisition. 21. Fees and expenses incurred in the ac-

quisition of water rights and grants.

- 22. Cost of fill to extend bulkhead line over land under water, where riparian rights are held, which is not occasioned by the erection of a structure.
- 23. Sidewalks and curbs constructed by the utility on public property.
 24. Labor and expenses in connection with
- securing rights of way, where performed by company employees and company agents.
 - 7. Structures and Improvements.

A. The accounts for structures and improvements shall include the cost of all buildings and facilities to house, support, or safeguard property or persons, including all fixtures permanently attached to and made a part of buildings and which cannot be removed therefrom without cutting into the walls, ceilings, or floors, or without in some way impairing the buildings, and improvements of a permanent character on or to land.

B. The cost of specially provided foundations not intended to outlast the machinery or apparatus for which provided, and the cost of angle irons, castings, etc., installed at the base of any item of equipment, shall be charged to the same account as the cost of the machinery, apparatus, or equipment.

C. Minor buildings and structures shall be considered a part of the facility in connection with which constructed or operated and the cost thereof accounted for accordingly when the nature of the structure and facility indicates the cor-

rectness of such accounting.

- D. Where furnaces and boilers are used primarily for furnishing steam for some particular department and only incidentally for furnishing steam for heating a building and operating the equipment therein, the entire cost of such furnaces and boilers shall be charged to the appropriate plant account, and no part to the building account.
- E. The cost of disposing of materials excavated in connection with construction of structures shall be considered as a part of the cost of such work, except as follows: (a) When such material is used for filling, the cost of loading, hauling, and dumping shall be equitably apportioned between the work in connection with which the removal occurs and the work in connection with which the material is used; (b) When such material is sold, the net amount realized from such sales shall be credited to the work in connection with which the removal occurs. If the amount realized from the sale of excavated materials exceeds the removal costs and the costs in connection with the sale, the excess shall be credited to the land account in which the site is carried.
- F. Lighting or other fixtures temporarily attached to buildings for purposes of display or demonstration shall not be included in the cost of the building but in the appropriate equipment account.
- G. The items of cost to be included in the accounts for structures and improvements are as follows:
- 1. Architects' plans and specifications including supervision.
- 2. Athletic field structures and improvements.
- 3. Boilers, furnaces, piping, wiring, fixtures, and machinery for heating, lighting, signaling, ventilating, and air conditioning systems, plumbing, vacuum cleaning systems, incinerator and smoke pipe, flues, etc.
- 4. Bulkheads, including dredging, riprap fill, piling, decking, concrete, fenders, etc., when exposed and subject to maintenance and replacement.
- 5. Coal bins and bunkers.
- 6. Commissions and fees to brokers, agents, architects and others.
- 7. Conduit (not to be removed) with its contents.
- 8. Damages to abutting property during construction.
- 9. Drainage and sewerage systems.
- 10. Elevators, cranes, hoists, etc., and the machinery for operating them.
- 11. Excavation, including shoring, bracing, bridging, refill, and disposal of excess exca-

vated material, cofferdams around foundation, pumping water from cofferdam during construction, test borings.

- 12. Fences and fence curbs (not including protective fences isolating items of equipment, which shall be charged to the appropriate equipment account).
- 13. Fire protection systems when forming a part of a structure.
- 14. Foundations and piers for machinery. constructed as a permanent part of a building or other item listed herein.
- 15. Grading and clearing when directly occasioned by the building of a structure.
- 16. Intrasite communication system, poles, pole fixtures, wires and cables.
 - 17. Landscaping, lawns, shrubbery, etc. 18. Leases, voiding upon purchase to se-
- cure possession of structures. 19. Leased property, expenditures on.
- 20. Lighting fixtures and outside lighting system.

21. Painting, first cost.

- 22. Permanent paving, concrete, brick, flagstone, asphalt, etc., within the property lines.
 - 23. Permits and privileges.
- 24. Platforms, railings and gratings when constructed as a part of a structure.
- 25. Retaining walls except when identifled with land.
- 26. Roadways, railroads, bridges, and trestles intrasite, except railroads provided for in equipment accounts.

 27. Sidewalks, culverts, curbs and streets constructed by the utility on its property.
- 28. Stacks-brick, steel, or concrete, when set on foundation forming part of general foundation and steel work of a building.
- 29. Storage facilities constituting a part of a building.
- 30. Subways, areaways, and tunnels, directly connected to and forming part of a structure.
- 31. Tanks, constructed as part of a building or as a distinct structural unit.
- 32. Temporary shanties and other facilities used during construction (net cost).
- 33. Tunnels, intake and discharge, when constructed as part of a structure, including sluice gates, and those constructed to house mains.
- 34. Vaults constructed as part of a building.
 - 35. Water basins or reservoirs.
 - 36. Wharves.

Note: Structures and Improvements accounts shall be credited with the cost of coal bunkers, stacks, foundations, subways, tunnels, etc., the use of which has terminated with the removal of the equipment with which they are associated even though they have not been physically removed.

8. Equipment.

- A. The cost of equipment chargeable to the gas plant accounts, unless otherwise indicated in the text of an equipment account, includes the net purchase price thereof, sales taxes, investigation and inspection expenses necessary to such purchase, expenses of transportation when borne by the utility, labor employed, materials and supplies consumed, and expenses incurred by the utility in unloading and placing the equipment in readiness to operate.
- B. Exclude from equipment accounts hand and other portable tools, which are likely to be lost or stolen or which have relatively small value (for example, \$50 or less) or short life, unless the correctness of the accounting therefor as gas plant is verified by current inventories. Special tools acquired and included in the purchase price of equipment shall be included in the appropriate plant account. Portable drills and similar tool

equipment when used in connection with the operation and maintenance of a particular plant or department, such as production, transmission, distribution, etc.. or in "stores," shall be charged to the plant account appropriate for their use.

- C. The equipment accounts shall include angle irons and similar items which are installed at the base of an item of equipment, but piers and foundations which are designed to be as permanent as the buildings which house the equipment, or which are constructed as a part of the building and which cannot be removed without cutting into the walls, ceilings or floors or without in some way impairing the building, shall be included in the building accounts.
- D. The equipment accounts shall include the necessary costs of testing or running a plant or part thereof during an experimental or test period prior to becoming available for service. The utility shall furnish the Commission with full particulars of and justification for any test or experimental run extending beyond a period of thirty days.
- E. The cost of efficiency or other tests made subsequent to the date equipment becomes available for service shall be charged to the appropriate expense accounts, except that tests to determine whether equipment meets the specifications and requirements as to efficiency. performance, etc., guaranteed by manufacturers, made after operations have commenced and within the period specified in the agreement or contract of purchase, may be charged to the appropriate gas plant account.
- 9. Additions and Requirements of Gas Plant.
- A. For the purpose of avoiding undue refinement in accounting for additions to and retirements and replacements of gas plant, all property shall be considered as consisting of (1) retirement units and (2) minor items of property. Each utility shall use such list of retirement units as is in use by it at the effective date hereof or as may be prescribed by the Commission, with the option, however, of using smaller units, provided the utility's practice in this respect is consistént.
- B. The addition and retirement of retirement units shall be accounted for as follows:
- (1) When a retirement unit is added to gas plant, the cost thereof shall be added to the appropriate gas plant account, except that when units are acquired in the acquisition of any gas plant constituting an operating system, they shall be accounted for as provided in gas plant instruction 4.
- (2) When a retirement unit is retired from gas plant, with or without replacement, the book cost thereof shall be credited to the gas plant account in which it is included, determined in the manner set forth in paragraph D, below. If the retirement unit is of a depreciable class, the book cost of the unit retired and credited to gas plant shall be charged to the accumulated provision for depreciation applicable to such property. The cost of removal and the salvage shall be charged or credited, as appropriate, to such depreciation account.

C. The addition and retirement of minor items of property shall be accounted for as follows:

(1) When a minor item of property which did not previously exist is added to plant, the cost thereof shall be accounted for in the same manner as for the addition of a retirement unit, as set forth in paragraph B(1), above, if a substantial addition results, otherwise the charge shall be to the appropriate maintenance expense account.

(2) When a minor item of property is retired and not replaced, the book cost thereof shall be credited to the gas plant account in which it is included; and, in the event the minor item is a part of depreciable plant, the account for accumulated provision for depreciation shall be charged with the book cost and cost of removal and credited with the salvage. If, however, the book cost of the minor item retired and not replaced has been or will be accounted for by its inclusion in the retirement unit of which it is a part when such unit is retired, no separate credit to the property account is required when such minor item is retired.

(3) When a minor item of depreciable property is replaced independently of the retirement unit of which it is a part, the cost of replacement shall be charged to the maintenance account appropriate for the item, except that if the replacement effects a substantial betterment (the primary aim of which is to make the property affected more useful, more efficient, of greater durability, or of greater capacity), the excess cost of the replacement over the estimated cost at current prices of replacing without betterment shall be charged to the appropriate gas plant account.

D. The book cost of gas plant retired shall be the amount at which such property is included in the utility plant accounts, including all components of construction costs. The book cost shall be determined from the utility's records and if this cannot be done, it shall be estimated. When it is impracticable to determine the book cost of each unit, due to the relatively large number or small cost thereof, an appropriate average book cost of the units, with due allowance for any differences in size and character, shall be used as the book cost of the units required.

E. The book cost of land retired shall be credited to the appropriate land account. If the land is sold, the difference between the book cost (less any accumulated provision for depreciation, depletion or amoritization therefor which has been authorized and provided) and the sale price of the land (less commissions and other expenses of making the sale) shall be included in account 434, Miscellaneous Credits to Surplus, or account 435. Miscellaneous Debits to Surplus, as appropriate. If the land is not used in utility service but is retained by the utility, the book cost shall be charged to account 105, Gas Plant Held for Future Use, or account 121, Nonutility Property, as appropriate.

F. The book cost less net salvage of gas plant retired shall be charged in its entirety to account 110, Accumulated Provision for Depreciation, Depletion

and Amortization of Gas Plant. Any amounts which, by approval or order of the Commission, are charged to account 182, Extraordinary Property Losses, shall be credited to account 110, Accumulated Provision for Depreciation, Depletion and Amortization of Gas Plant.

10. Transfers of Property.

When property is transferred from one gas plant account to another, from one utility department to another, such as from gas to electric, from one operating division or area to another, to or from Gas Plant in Service, Gas Plant Leased to Others. Gas Plant Held for Future Use, and Nonutility Property, the transfer shall be recorded by transferring the original cost thereof from one account, department, or location to the other. Any related amounts carried in the accounts for accumulated provision for depreciation, depletion or amortization shall be transferred in accordance with the segregation of such accounts.

11. Common Utility Plant.

A. If the utility is engaged in more than one utility service such as electric, gas, and water, and any of its utility plant is used in common for several utility services or for other purposes to such an extent and in such a manner that it is impracticable to segregate it by utility services currently in the accounts, such property, with the approval of the Commission, may be designated and classified as "common utility plant."

B. The book amount of utility plant designated as common plant shall be included in account 118, Other Utility Plant, and if applicable in part to gas department, shall be segregated and accounted for in subaccounts as gas plant is accounted for in accounts 101 to 107. inclusive, and gas plant adjustments in account 116: any amounts classifiable as common plant acquisition adjustments or common plant adjustments shall be subject to disposition as provided in paragraph C and B of accounts 114 and 116, respectively, for amounts classified in those accounts. The original cost of common utility plant in service shall be classified according to detailed utility plant accounts appropriate for the property.

C. The utility shall be prepared to show at any time and to report to the Commission annually, or more frequently, if required, and by utility plant accounts (301 to 399) the following: (1) The book cost of common utility plant, (2) the allocation of such cost to the respective departments using the common utility plant, and (3) the basis of the allocation.

D. The accumulated provision for depreciation and amortization of the utility shall be segregated so as to show the amount applicable to the property classified as common utility plant.

E. The expenses of operation, maintenance, rents, depreciation, and amortization of common utility plant shall be recorded in the accounts prescribed herein, but designated as common expenses, and the allocation of such expenses to the departments using the common utility plant shall be supported in such manner as to reflect readily the basis of allocation used.

12. Transmission and Distribution Plant.

For the purposes of this system of accounts:

A. "Transmission System" means the land, structures, mains, valves, meters, boosters, regulators, tanks, compressors and their driving units and appurtenances, and other equipment used primarily for transmitting gas from a production plant, delivery point of purchased gas, gathering system, storage area, or other wholesale source of gas, to one or more distribution areas. The transmission system begins at the outlet side of the valve at the connection to the last equipment in a manufactured gas plant, the connection to gathering lines or delivery point of purchased gas, and includes the equipment at such connection that is used to bring the gas to transmission pressure, and ends at the inlet side of the equipment which meters or regulates the entry of gas into the distribution system or into a storage area. It does not include storage land. structures or equipment. Pipe line companies, however, shall include city gate and main line industrial measuring and regulating stations in the transmission function, except that where pipe line companies measure deliveries of gas to their own distribution systems they shall have the option, if consistently observed, of including such stations either in the transmission or distribution function for the purposes of this system of accounts.

B. "Distribution System" means the mains which are provided primarily for distributing gas within a distribution area, together with land, structures, valves, regulators, services and measuring devices, including the mains for transportation of gas from production plants or points of receipt located within such distribution area to other points therein. The distribution system begins at the inlet side of the equipment which meters or regulates the entry of gas into the distribution system and ends with and includes property on the customer's premises. It does not include storage land, structures, or equipment.

C. "Distribution Area" as used herein means a metropolitan area or other urban area comprising one or more adjacent or nearby cities, villages or unincorporated areas, including developed areas contiguous to main highways.

Operating Expense Instructions

1. Maintenance.

A. The cost of maintenance chargeable to the various operating expense and clearing accounts includes labor, materials, overheads and other expenses incurred in maintenance work. A list of work operations applicable generally to utility plant is included hereunder. Other work operations applicable to specific classes of plant are listed in functional maintenance expense accounts.

B. Materials recovered in connection with the maintenance of property shall be credited to the same account to which the maintenance cost was charged.

C. If the book cost of any property is carried in account 102, Gas Plant Purchased or Sold, the cost of maintaining such property shall be charged to the accounts for maintenance of property of the same class and use, the book cost of which is carried in other gas plant in service accounts. Maintenance of property leased from others shall be treated as provided in operating expense instruction 2.

1. Direct field supervision of maintenance. 2. Inspecting, testing, and reporting on condition of plant specifically to determine the need for repairs, replacements, rearrangements and changes and inspecting and testing the adequacy of repairs which have

3. Work performed specifically for the purpose of preventing failure, restoring service-ability or maintaining life of plant. 4. Rearranging and changing the location

of plant not retired.

5. Repairing for reuse materials recovered

from plant.
6. Testing for, locating and clearing trouble. 7. Net cost of installing, maintaining, and

removing temporary facilities to prevent interruptions in service.

8. Replacing or adding minor items of plant which do not constitute a retirement unit. (See gas plant instruction 9.).

2. Rents.

A. The rent expense accounts provided under the several functional groups of expense accounts shall include all rents, including taxes paid by the lessee on leased property, for property used in utility operations, except (1) minor amounts paid for occasional or infrequent use of any property or equipment and all amounts paid for use of equipment that, if owned, would be includible in plant accounts 391 to 398, inclusive, which shall be treated as an expense item and included in the appropriate functional account and (2) rents which are chargeable to clearing accounts, and distributed therefrom to the appropriate account. If rents cover property used for more than one function, such as production and transmission, or by more than one department, the rents shall be apportioned to the appropriate rent expense or clearing accounts of each department on an actual, or, if necessary, an estimated basis.

B. When a portion of property or equipment rented from others for use in connection with utility operations is subleased, the revenue derived from such subleasing shall be credited to the rent revenue account in operating revenues; provided, however, that in case the rent was charged to a clearing account, amounts received from subleasing the property shall be credited to such clearing account.

C. The cost, when incurred by the lessee, of operating and maintaining leased property, shall be charged to the accounts appropriate for the expense if the property were owned.

D. The cost incurred by the lessee of additions and replacements to gas plant leased from others shall be accounted for as provided in gas plant instruction 5.

Balance Sheet Accounts ASSETS AND OTHER DEBITS

1. UTILITY PLANT

Gas plant in service. Gas plant purchased or sold. Gas plant in process of reclassification.

Gas plant leased to others. Gas plant held for future use.

Construction work in progress-Accumulated provision for depreciation, depletion, and amortization of gas plant.

Gas plant acquisition adjustments.

Other gas plant adjustments.

Other utility plant.

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Accumulated provision for depreciation and amortization of other utility plant.

2. OTHER PROPERTY AND INVESTMENTS

Nonutility property.

Accumulated provision for depreciation and amertization of nonutility property.
Other investments.

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Special funds.

3. CURRENT AND ACCRUED ASSETS

Cash and working funds. 131

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Notes receivable. 141

Customer accounts receivable.

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Notes receivable from associated companies.

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Materials and supplies.
Gas stored underground.

Prepayments. 165

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4. DEFERRED DEBITS

Unamortized debt discount and ex-

Extraordinary property losses. Other deferred debits. 182

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LIABILITIES AND OTHER CREDITS

5. PROPRIETARY CAPITAL

Common capital stock.

Preferred capital stock.
Other paid-in capital.

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Installments received on capital stock.

Discount on capital stock. Capital stock expense.

215 Appropriated earned surplus.

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6. LONG-TERM DEBT

221 Bonds.

223 Advances from associated companies.

Other long-term debt.

7. CURRENT AND ACCRUED LIABILITIES

Notes payable.

Accounts payable.

Notes payable to associated companies. Accounts payable to associated com-

panies. 235

Customer deposits. 236 Taxes accrued.

Interest accrued.

Other current and accrued liabilities.

8. DEFERRED CREDITS

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9. OPERATING RESERVES

Property insurance reserve. 262 Injuries and damages reserve.

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CONTRIBUTIONS IN AID OF CONSTRUCTION

Contributions in aid of construction.

11. ACCUMULATED DEFERRED INCOME TAXES

Accumulated deferred income taxes-Accelerated amortization.

Accumulated deferred income taxes-Liberalized depreciation.

283 Accumulated deferred income taxes-Other.

Balance Sheet Accounts

1. UTILITY PLANT

101 Gas plant in service.

A. This account shall include the original cost of gas plant, included in the plant accounts prescribed herein, owned and used by the utility in its gas operations, and having an expectation of life in service of more than one year from date of installation, including such property owned by the utility but held by nominees.

B. The cost of additions to and betterments of property leased from others, which are includible in this account, shall be maintained in subdivisions separate and distinct from those relating to owned property. (See gas plant instruction 5.)

Gas plant purchased or sold.

A. This account shall be charged with the cost of gas plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise, and shall be credited with the selling price of like property transferred to others pending the distribution to appropriate accounts in accordance with gas plant instruction 4.

B. Within six months from the date of acquisition or sale of property recorded herein, there shall be filed with the Commission the proposed journal entries to clear from this account the amounts

recorded herein.

103 Gas plant in process of reclassifica-

A. This account shall include temporarily the balance of gas plant as of the effective date of the prior system of accounts, which has not yet been reclassified as of the effective date of this system of accounts. The detail or primary accounts in support of this account employed prior to such date shall be continued pending reclassification into the gas plant accounts herein prescribed (301-399), but shall not be used for additions, betterments, or new construction.

B. No charges other than as provided in paragraph A, above, shall be made to this account, but retirements of such unclassified gas plant shall be credited hereto and to the supporting (old) fixed capital accounts until the reclassification shall have been accomplished.

104 Gas plant leased to others.

A. This account shall include the original cost of gas plant owned by the utility, but leased to others as operating units or systems, where the lessee has exclusive possession.

B. The property included in this account shall be classified according to the detailed accounts (301-399) prescribed for gas plant in service, and this account shall be maintained in such detail as though the property were used by the owner in its utility operations.

105 Gas plant held for future use.

A. This account shall include the original cost of property owned and held for future use in gas service under a definite plan for such use. There shall be included herein property acquired but never used by the utility in gas service, but held for such service in the future under a definite plan, and property previously used by the utility in utility service, but retired from such service and held pending its reuse in the future, under a definite plan, in gas service. This includes land and land rights held to insure a future supply of natural gas.

B. The property included in this account shall be classified according to the detailed accounts (301-399) prescribed for gas plant in service and the account shall be maintained in such detail as though the property were in service.

Note A: Materials and supplies, meters and transformers held in reserve, or normal spare capacity of plant in service shall not be included in this account.

NOTE B: Include in this account natural gas wells shut in after construction which have not been connected with the line; also, natural gas wells which have been connected with the line but which are shut in for any reason excepting seasonal excess capacity or governmental proration requirements or for repairs.

107 Construction work in progress—Cas.

This account shall include the total of the balances of work orders for utility plant in process of construction but not ready for service at the date of the balance sheet.

110 Accumulated provision for depreciation, depletion and amortization of gas plant.

A. This account shall be credited with the following:

- (1) Amounts charged to account 403, Depreciation and Depletion Expense, to account 404, Amortization of Limited-Term Gas Plant, to account 405, Amortization of Other Gas Plant, to account 413, Expenses of Gas Plant Leased to Others, to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work, or to clearing accounts for currently accruing depreciation, depletion, and amortization.
- (2) Amounts charged to account 435, Miscellaneous Debits to Surplus, for past accrued depreciation, depletion or amortization.
- (3) Amounts of depreciation, depletion or amortization applicable to gas properties acquired as operating units or systems. (See gas plant instruction
- (4) Amounts chargeable to account 182, Extraordinary Property Losses, when authorized by the Commission.

(5) Amounts of depreciation applicable to gas plant donated to the utility.

B. At the time of retirement of gas plant, this account shall be charged with the book cost of the property retired and the cost of removal, and shall be credited with the salvage value and any other amounts recovered, such as insurance. When retirements, cost of removal and salvage are entered originally in retirement work orders, the net total of such work orders may be included in a sepa-

rate subaccount hereunder. Upon completion of the work order, the proper distribution to subdivisions of this account shall be made as provided in the following paragraph.

C. For general ledger and balance sheet purposes, this account shall be regarded and treated as a single composite provision for depreciation. The account shall be subdivided to show the amount. applicable to Gas Plant in Service, Gas Plant Leased to Others, and Gas Plant Held for Future Use. These subsidiary records shall show the current credits and debits to this account in sufficient detail to show separately for each subdivision, (1) the amount of accrual for depreciation or amortization, (2) the book cost of property retired, (3) cost of removal, (4) salvage and (5) other items, including recoveries from insurance. The utility also shall maintain subsidiary records in accordance with these provisions for accumulated depletion and amortization provisions for natural gas lands and land rights in service.

D. When transfers of plant made from one gas plant account to another, or from or to nonutility property, the accounting shall be as provided in gas plant instruction 10.

E. The utility is restricted in its use of the accumulated provision for depreciation, depletion and amortization to the purposes set forth above. It shall not transfer any portion of this account to surplus or make any other use thereof without authorization by the Commission

114 Gas plant acquisition adjustments.

A. This account shall include the difference between (a) the cost to the accounting utility of gas plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise, and (b) the original cost, estimated if not known, of such property, less the amount or amounts credited by the accounting utility at the time of acquisition to accumulated provision for depreciation, depletion and amortization and contributions in aid of construction with respect to such property.

B. With respect to acquisitions after the effective date of this system of accounts, this account shall be subdivided so as to show the amounts included herein for each property acquisition and to gas plant in service, gas plant held for future use and gas plant leased to others. (See gas plant instruction 4.)

C. The amounts recorded in this account with respect to each property acquisition shall be amortized, or otherwise disposed of, as the Commission may approve or direct.

116 Other gas plant adjustments.

A. This account shall include the difference between the original cost, estimated if not known, and the book cost of gas plant to the extent that such difference is not properly includible in account 114, Gas Plant Acquisition Adjustments.

B. Amounts included in this account shall be classified in such manner as to show the origin of each amount and shall be disposed of as the Commission may approve or direct.

Note: The provisions of this account shall not be construed as approving or authorizing the recording of appreciation of gas plant.

118 Other utility plant.

This account shall include the balance in accounts for utility plant, other than gas plant, such as electric, railway, etc.

119 Accumulated provision for depreciation and amortization of other utility plant.

This account shall include the accumulated provision for depreciation and amortization applicable to utility property other than gas plant.

2. OTHER PROPERTY AND INVESTMENTS

121 Nonutility property.

A. This account shall include the book cost of land, structures, equipment or other tangible or intangible property owned by the utility, but not used in utility service and not properly includible in account 105, Gas Plant Held for Future Use.

B. This account shall be subdivided so as to show the amount of property used in operations which are nonutility in character but nevertheless constitute a distinct operating activity of the company (such as operation of an ice department where such activity is not classed as a utility) and the amount of miscellaneous property not used in operations. The records in support of each subaccount shall be maintained so as to show an appropriate classification of the property.

122 Accumulated provision for depreciation and amortization of nonutility property.

This account shall include the accumulated provision for depreciation and amortization applicable to nonutility property.

124 Other investments.

A. This account shall include the book cost of investments in securities issued or assumed by other companies, investment advances to such companies, and any investments not accounted for elsewhere. Include also the offsetting entry to the recording of amortization of discount or premium on interest bearing investments. (See account 419, Interest and Dividend Income.)

B. The cost of capital stock of the utility reacquired by it under a definite plan for resale pursuant to authorization by the Board of Directors may, if permitted by statutes, be included in a separate subdivision of this account. (See also account 207, Other Paid-in Capital, and account 217, Reacquired Capital Stock.)

C. The records shall be maintained in such manner as to show the amount of each investment and the investment advances to each person.

Note A: Securities owned and pledged shall be included in this account, but securities held in special deposits or in special funds shall be included in appropriate deposit or fund accounts. A complete record of securities pledged shall be maintained.

Note B: Securities held as temporary cash investments shall not be included in this account.

Note C: The utility may write down the cost of any security in recognition of a decline in the value thereof. Securities shall be written off or written down to a nominal value if there be no reasonable prospect of substantial value. Fluctuations in market value shall not be recorded but a permanent impairment in the value of securities shall be recognized in the accounts. When securities are written off or written down, the amount of the adjustment shall be charged to account 435, Miscellaneous Debits to Surplus, or to an appropriate account for provisions for loss in value established as a separate subdivision of this account.

125 Special funds.

This account shall include the amount of cash and book cost of investments which have been segregated in special funds for bond retirements, property additions and replacements, insurance, employees' pensions, savings, relief, hospital, and other purposes not provided for elsewhere. A separate account, with appropriate title, shall be kept for each fund.

Note: Amounts deposited with a trustee under the terms of an irrevocable trust agreement for pensions or other employees' benefits shall not be included in this account.

3. CURRENT AND ACCRUED ASSETS

Current and accrued assets are cash, those assets which are readily convertible into cash or are held for current use in operations or construction, current claims against others, payment of which is reasonably assured, and amounts accruing to the utility which are subject to current settlement, except such items for which accounts other than those designated as current and accrued assets are made therefor. There shall not be included in the group of accounts designated as current and accrued assets any item, the amount or collectibility of which is not reasonably assured, unless an adequate provision for possible loss has been provided. Items of current character but of doubtful value may be written down and for record purposes carried in these accounts at nominal value.

131 Cash and working funds.

This account shall include the amount of cash on hand and in banks and cash advanced to officers, agents, employees, and others as petty cash or working funds. Special cash deposits for payment of interest, dividends or other special purposes shall be included in this account in separate subdivisions which shall specify the purpose for which each such special deposit is made.

Note: Special deposits for more than one year, which are not offset by current liabilities, shall not be charged to this account but to account 125, Special Funds.

132 Temporary cash investments.

A. This account shall include the book cost of investments, such as demand and time loans, bankers' acceptances, United States Treasury certificates, marketable securities, and other similar investments, acquired for the purpose of temporarily investing cash.

B. This account shall be so maintained as to show separately temporary cash investments in securities of associated

companies and of others. Records shall be kept of any pledged investments.

141 Notes receivable.

This account shall include the book cost, not includible elsewhere, of all collectible obligations in the form of notes receivable and similar evidences (except interest coupons) of money due on demand or within one year from the date of issue, excepting, however, notes receivable from associated companies. (See account 132, Temporary Cash Investments, and account 145, Notes Receivable from Associated Companies.)

Note: The face amount of notes receivable, discounted, sold, or transferred without releasing the utility from liability as endorser thereon, shall be credited to a separate subdivision of this account and appropriate disclosure shall be made in financial statements of any contingent liability arising from such transactions.

142 Customer accounts receivable.

A. This account shall include amounts due from customers for utility service, and for merchandising, jobbing and contract work. This account shall not include amounts due from associated companies.

B. This account shall be maintained so as to permit ready segregation of the amounts due for merchandising, jobbing and contract work.

143 Other accounts receivable.

A. This account shall include amounts due the utility upon open accounts, other than amounts due from associated companies and from customers for utility services and merchandising, jobbing and contract work.

B. This account shall be maintained so as to show separately amounts due on subscriptions to capital stock and from officers and employees, but the account shall not include amounts advanced to officers or others as working funds. (See account 131, Cash and Working Funds.)

144 Accumulated provision for uncollectible accounts—Cr.

A. This account shall be credited with amounts provided for losses on accounts receivable which may become uncollectible, and also with collections on accounts previously charged hereto. Concurrent charges shall be made to account 904, Uncollectible Accounts, for amounts applicable to utility operations, and to corresponding accounts for other operations. Records shall be maintained so as to show the write-offs of accounts receivable for each utility department.

B. This account shall be subdivided to show the provision applicable to the following classes of accounts receivable:

Utility Customers.

Merchandising, Jobbing and Contract Work.

Officers and Employees.
Other.

NOTE A: Accretions to this account shall not be made in excess of a reasonable provision against losses of the character provided for.

vided for.

Note B: If provisions for uncollectible notes receivable or for uncollectible receivables from associated companies are necessary, separate subaccounts therefor shall be

established under the account in which the receivable is carried.

145 Notes receivable from associated companies.

146 Accounts receivable from associated companies.

A. These accounts shall include notes and drafts upon which associated companies are liable, and which mature and are expected to be paid in full not later than one year from date of issue, together with any interest thereon, and debit balances subject to current settlement in open accounts with associated companies. Items which do not bear a specified due date but which have been carried for more than twelve months and items which are not paid within twelve months from due date shall be transferred to account 124, Other Investments.

Note A: On the balance sheet, accounts receivable from an associated company may be set off against accounts payable to the same company.

Note B: The face amount of notes receivable discounted, sold or transferred without releasing the utility from liability as endorser thereon, shall be credited to a separate subdivision of this account and appropriate disclosure shall be made in financial statements of any contingent liability arising from such transactions.

150 Materials and supplies.

A. This account shall include the cost of fuel on hand and unapplied materials and supplies (except meters and house regulators). It shall include also the book cost of materials recovered in connection with construction, maintenance or the retirement of property, such materials being credited to construction, maintenance, or accumulated depreciation provision, respectively, and included herein as follows:

- (1) Reusable materials consisting of large individual items shall be included in this account at original cost, estimated if not known. The cost of repairing such items shall be charged to the maintenance account appropriate for the previous use.
- (2) Reusable materials consisting of relatively small items, the identity of which (from the date of original installation to the final abandonment or sale thereof) cannot be ascertained without undue refinement in accounting, shall be included in this account at current prices new for such items. The cost of repairing such items shall be charged to the appropriate expense account as indicated by previous use.
- (3) Scrap and nonusable materials included in this account shall be carried at the estimated net amount realized therefrom. The difference between the amounts realized for scrap and nonusable materials sold and the net amount at which the materials were carried in this account, as far as practicable shall be adjusted to the accounts credited when the materials were charged to this account.
- B. Materials and supplies issued shall be credited hereto and charged to the appropriate construction, operating expense, or other account on the basis of a unit price determined by the use of

such other method of inventory accounting as conforms with accepted accounting standards consistently applied.

C. Inventories of materials, supplies, fuel, etc., shall be taken at least annually and the necessary adjustments shall be made to bring this account into agreement with the actual inventories. In effecting the adjustments, large differences which can be assigned to important classes of materials shall be equitably adjusted among the accounts to which such classes of materials have been charged since the previous inventory. Other differences shall be equitably apportioned among the accounts to which materials have been charged.

- 1. Invoice price of materials less cash or other discounts.
- 2. Freight, switching or other transportation charges when practicable to include as part of the cost of particular materials to which they relate.
 - 3. Customs duties and excise taxes.
- 4. Costs of inspection and special tests prior to acceptance.
- 5. Insurance and other directly assignable

Note A: Where expenses applicable to materials purchased cannot be directly assigned to particular purchases, they may be charged to a stores expense clearing account and distributed therefrom to the appropriate

Note B: When materials and supplies are purchased for immediate use, they need not be carried through this account but may be charged directly to the appropriate gas plant or expense account.

Gas stored underground.

A. This account shall include the cost of gas purchased or produced by the utility which is stored in depleted or partially depleted gas or oil fields, or other underground reservoirs, and held for use in meeting service requirements of the utility's customers.

B. Gas stored during the year shall be priced at cost according to generally accepted methods of cost determination consistently applied from year to year. Transmission expenses for facilities of the utility used in moving the gas to the storage area and expenses of storage facilities shall not be included in the inventory of gas except as may be authorized or directed by the Commission.

C. Withdrawals of gas may be priced according to the first-in-first-out, lastin-first-out, or weighted average cost method, in connection with which a "base stock" may be employed provided the method adopted by the utility is used consistently from year to year and the inventory records are maintained in accordance therewith. Approval of the Commission must be obtained for any other pricing method, or change in the pricing method adopted by the utility.

D. Amounts debited to this account for gas placed in storage shall be credited to account 734, Gas Delivered to Underground Storage—Credit. Amounts credited to this account for gas withdrawn from storage shall be debited to account 733, Gas Withdrawn from Underground Storage-Debit.

E. Adjustments for inventory losses due to cumulative inaccuracies of gas

cumulative average, first-in-first-out, or measurements, or from other causes, shall be charged to account 741, Gas Losses. In the operation of storage projects the utility shall maintain such procedures of verification as will disclose and result in prompt accounting recognition of significant losses.

> NOTE A: The utility at balance sheet dates shall reduce this account by such significant amount as does not represent a current asset according to conventional rules of current asset classification. Such reduction shall be offset by a special account. Gas Stored Underground-Noncurrent, to be reported in the balance sheet among other accounts under the caption for utility plant.

> Note B: If with respect to any storage reservoir, the utility determines that a portion of the stored gas included in this account will not eventually be fully recovered, it may submit for consideration of the Commission, a plan to create a reserve to provide for such anticipated gas losses.

165 Prepayments.

A. This account shall include the amount of rents, taxes, insurance, interest and like disbursements made in advance of the period to which they apply. As the periods covered by such prepayments expire, credit this account and charge the proper operating expense or other account with the amount applicable to the period.

B. This account shall be kept or supported in such manner as to disclose the amount of each class of prepayments.

170 Other current and accrued assets.

This account shall include the book cost of all other current and accrued assets, appropriately designated and supported so as to show the nature of each asset included herein.

4. DEFERRED DEBITS

181 Unamortized debt discount and expense.

A. This account shall include the total of the unamortized balance of discount and expense for all classes of long-term debt.

B. The discount and expense shall be amortized over the life of the respective issues under a plan which will distribute the amounts equitably over the life of the securities. The amortization shall be charged to account 428, Amortization of Debt Discount and Expense. utility may, however, accelerate the writing off of discount and expense where the amounts are insignificant.

182 Extraordinary property losses.

A. When authorized or directed by the Commission, this account shall include extraordinary losses on property abandoned or otherwise retired from service which are not provided for by the accumulated provision for depreciation or amortization and which could not reasonably have been foreseen and provided for, and extraordinary losses, such as unforeseen damages to property, which could not reasonably have been anticipated and which are not covered by insurance or other provisions.

B. The entire cost, less net salvage, of depreciable property retired shall be charged to accumulated provision for depreciation. If all, or a portion of the loss is to be included in this account, the accumulated provision for depreciation shall then be credited and this account charged with the amount properly chargeable hereto.

C. Application to the Commission for permission to use this account shall be accompanied by a statement giving a complete explanation with respect to the items which it is proposed to include herein, the period over which, and the accounts to which it is proposed to write off the charges, and other pertinent information.

183 Other deferred debits.

A. This account shall include the following classes of items:

(1) Expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of projects under contemplation. If construction results, this account shall be credited with the amount applicable thereto and the appropriate plant accounts shall be charged with an amount which does not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to plant. If the work is abandoned, the charge shall be to account 435, Miscellaneous Debits to Surplus, or to the appropriate operating expense accounts.

(2) Expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of acquiring land and land rights to provide a future supply of natural gas. If such land or land rights are acquired, this account shall be credited and the appropriate gas plant account (see gas plant instruction 6G) charged with the amount of expenditures related to such acquisition. Such preliminary survey and investigation charges transferred to gas plant shall not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to gas plant. If the project is abandoned, the expenditures related thereto shall be charged to account 723, Other Explora-

(3) Undistributed balances in clearing accounts at the date of the balance sheet. Balances in clearing accounts shall be substantially cleared not later than the end of the calendar year unless items held therein relate to a future period.

(4) Balances representing expenditures for work in progress other than on utility plant. This includes jobbing and contract work in progress.

(5) Other debit balances, the proper final disposition of which is uncertain, and unusual or extraordinary expenses, not included in other accounts, which are in process of being written off.

B. The records supporting the entries to this account shall be so kept that the utility can furnish full information as to each deferred debit included herein. The records supporting entries for preliminary natural gas surveys and investigations shall be so kept that the utility can furnish, for each investigation, complete information as to identification and location of the territory investigated, the number or other identification assigned to the land tract or leasehold

amounts of the charges.

5. PROPRIETARY CAPITAL

201 Common capital stock.

204 Preferred capital stock.

A. These accounts shall include the par value or the stated value of stock without par value if such stock has a stated value, and if not, the cash value of the consideration received for such nonpar stock, of each class of capital stock actually issued, including the par or stated value of such capital stock in account 124, Other Investments, and account 217, Reacquired Capital Stock.

B. When the actual cash value of the consideration received is more or less than the par or stated value of any stock having a par or stated value, the difference shall be credited or debited, as the case may be, to the premium or discount account for the particular class and

C. When capital stock is retired, these accounts shall be charged with the amount at which such stock is carried herein.

D. A separate ledger account, with a descriptive title, shall be maintained for each class and series of stock. The supporting records shall show the shares nominally issued, actually issued, and nominally outstanding.

Note: When a levy or assessment, except a call for payment on subscriptions, is made against holders of capital stock, the amount collected upon such levy or assessment shall be credited to account 207, Other Paid-In Capital; provided, however, that the credit shall be made to account 213, Discount on Capital Stock, to the extent of any remaining balance of discount on the issue of stock.

207 Other paid-in capital.

This account shall include the balance of all other credits for paid-in capital not includible in the capital stock accounts, and shall be kept so as to show the source of the credits includible herein.

ITEMS

- 1. Premium received on original issues of capital stock.
- 2. Donations received from stockholders or reduction of debt of the utility, and the cash value of other assets received as a donation.

3. Reduction in par or stated value of cap-

ital stock.

- 4. Gain on resale or cancellation of reacquired capital stock.
- 5. Miscellaneous paid-in capital.

Note: Premium on capital stock shall not be set off against expenses. Further, a premium received on an issue of a certain class or series of stock shall not be set off against expense of another issue of the same class or

212 Installments received on capital stock.

A. This account shall include in a separate subdivision for each class and series of capital stock the amount of installments received on capital stock on a partial or installment payment plan for subscribers who are not bound by legally enforceable subscription contracts.

B. As subscriptions are paid in full and certificates issued, this account shall

acquired, and the nature and respective be charged and the appropriate capital stock account credited with the par or stated value of such stock. Any discount or premium on an original issue shall be included in the appropriate discount or premium account.

213 Discount on capital stock.

A. This account shall include in a separate subdivision for each class and series of capital stock all discount on the original issuance and sale of capital stock, including additional capital stock of a particular class or series as well as first

B. When capital stock which has been actually issued is retired, the amount in this account applicable to the shares retired shall be written off to account 207, Other Paid-In Capital: Provided, however. That the amount shall be charged to account 435, Miscellaneous Debits to Surplus, to the extent that it exceeds the balance in account 207.

C. The utility may amortize the balance in this account by systematic charges to account 425. Miscellaneous Amortization, or it may write off capital stock discount in whole or in part to account 435, Miscellaneous Debits to Sur-

214 Capital stock expense.

A. This account shall include in a separate subdivision for each class and series of stock all commissions and expenses incurred in connection with the original issuance and sale of capital stock, including additional capital stock of a particular class or series as well as first issues. Expenses applicable to capital stock shall not be deducted from premium on capital stock.

B. When capital stock which has been actually issued by the utility is retired, the amount in this account applicable to the shares retired shall be written off to account 207, Other Paid-In Capital, to the extent of gains on resale or cancellation of reacquired stock includible therein: Provided, however, That the amount shall be charged to account 435. Miscellaneous Debits to Surplus, to the extent that it exceeds the balance in account 207, from such source.

C. The utility may amortize the balance in this account by systematic charges to account 425, Miscellaneous Amortization, or it may write off capital stock expense in whole or in part by charges to account 435, Miscellaneous Debits to Surplus.

Note: Expenses in connection with the reacquisition or resale of the utility's capital stock shall not be included herein.

215 Appropriated earned surplus.

This account shall include the amount of earned surplus which has been appropriated or set aside for specific purposes. Separate subaccounts shall be maintained under such titles as will designate the purpose for which each appropriation was made.

216 Unappropriated earned surplus.

This account shall include the balance. either debit or credit, of unappropriated surplus arising from earnings. It shall not include items includible in any sub-

account of account 207, Other Paid-In Capital.

217 Reacquired capital stock.

A. This account shall include in a separate subdivision for each class and series of capital stock, the cost of capital stock actually issued by the utility and reacquired by it and not retired or canceled, except, however, stock which is held by trustees in sinking or other funds.

B. When reacquired capital stock is. retired or canceled, the difference be-tween its cost, including commissions and expenses paid in connection with the reacquisition, and its par or stated value plus any premium and less any discount and expenses applicable to the shares retired, shall be debited or credited, as appropriate, to account 207, Other Paid-In Capital, provided, however, that debits shall be charged to account 435, Miscellaneous Debits to Surplus, to the extent that they exceed the balance of gains on resale or cancellation of reacquired stock included in account 207.

C. When reacquired capital stock is resold by the utility, the difference between the amount received on the resale of the stock, less expenses incurred in the resale, and the cost of the stock included in this account shall be accounted for as outlined in paragraph B.

Note A: See account 124, Other Investments, for permissive accounting treatment of stock reacquired under a definite plan for

Note B: The accounting for reacquired stock shall be as prescribed herein unless otherwise specifically required by statute.

6. LONG-TERM DEBT

221 Bonds.

A. Separate accounts shall be maintained hereunder for unmatured bonds of each class and series. Each such account shall be subdivided so as to show, (1) the face value of the actually issued and unmatured bonds, which have not been retired or canceled; also the face value of such bonds issued by others, the payment of which has been assumed by the utility, (2) the face value of bonds actually issued or assumed by the utility and reacquired by it, not paid, retired, or canceled. The account for reacquired debt shall not include securities which are held by trustees in sinking or other funds.

B. When bonds are reacquired, the difference between face value, adjusted for unamortized discount, expense or premium and the amount paid upon reacquisition, shall be included in account 434, Miscellaneous Credits to Surplus. or account 435, Miscellaneous Debits to Surplus, as appropriate.

Advances from associated companies.

A. This account shall include the face value of notes payable to associated companies and the amount of open book accounts representing advances from associated companies. It does not include notes and open accounts representing indebtedness subject to current settlement which are includible in account 233, Notes Payable to Associated Companies, or account 234, Accounts Payable to Associated Companies.

B. The records supporting the entries to this account shall be so kept that the utility can furnish complete information concerning each note and open account.

224 Other long-term debt.

A. This account shall include, until maturity, all long-term debt not otherwise provided for. This covers such items as receivers' certificates, real estate mortgages executed or assumed, assessments for public improvements, notes and unsecured certificates of indebtedness not owned by associated companies, receipts outstanding for long-term debt and other obligations maturing more than one year from date of issue or assumption.

B. Separate accounts shall be maintained for each class of obligation, and records shall be maintained to show for each class all details as to date of obligation, date of maturity, interest dates and rates, security for the obligation, etc.

Note: Miscellaneous long-term debt reacquired shall be accounted for in accordance with the procedure set forth in account 221, Bonds.

7. CURRENT AND ACCRUED LIABILITIES

Current and accrued liabilities are those obligations which have either matured or which become due within one year from the date thereof; except, however, bonds, receivers' certificates and similar obligations which shall be classified as long-term debt until date of maturity; accrued taxes, such as income taxes, which shall be classified as accrued liabilities even though payable more than one year from date; compensation awards, which shall be classified as current liabilities regardless of date due; and minor amounts payable in installments which may be classified as current liabilities. If a liability is due more than one year from date of issuance or assumption by the utility, it shall be credited to a long-term debt account appropriate for the transaction, except, however, the current liabilities previously mentioned.

231 Notes payable.

This account shall include the face value of all notes, drafts, acceptances, or other similar evidences of indebtedness, payable on demand or within a time not exceeding one year from date of issue, to other than associated companies.

232 Accounts payable.

This account shall include all amounts payable by the utility within one year, which are not provided for in other accounts.

233 Notes payable to associated companies.

234 Accounts payable to associated companies.

These accounts shall include amounts owing to associated companies on notes, drafts, acceptances, or other similar evidences of indebtedness, and open accounts payable on demand or not more than one year from date of issue or creation.

Note: Exclude from these accounts notes and accounts which are includible in account 223. Advances from Associated Companies.

235 Customer deposits.

This account shall include all amounts deposited with the utility by customers as security for the payment of bills.

236 Taxes accrued.

A. This account shall be credited with the amount of taxes accrued during the accounting period, corresponding debits being made to the appropriate accounts for tax charges. Such credits may be based upon estimates, but from time to time during the year as the facts become known, the amount of the periodic credits shall be adjusted so as to include as nearly as can be determined in each year the taxes applicable thereto. Any amount representing a prepayment of taxes applicable to the period subsequent to the date of the balance sheet, shall be shown under account 165. Prepayments.

B. If accruals for taxes are found to be insufficient or excessive, correction therefor shall be made through current tax accruals. However, if such corrections are so large as to seriously distort current expenses, they shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, as appropriate.

C. Accruals for taxes shall be based upon the net amount payable after credit for any discounts and shall not include any amounts for interest on tax deficiencies or refunds. Interest received on refunds shall be credited to account 419, Interest and Dividend Income, and interest paid on deficiencies shall be charged to account 431, Other Interest Expense.

D. The records supporting the entries to this account shall be kept so as to show for each class of taxes, the amount accrued, the basis for the accrual, the accounts to which charged, and the amount of tax pald.

237 Interest accrued.

This account shall include the amount of interest accrued but not matured on all liabilities of the utility not including, however, interest which is added to the principal of the debt on which incurred. Supporting records shall be maintained so as to show the amount of interest accrued on each obligation.

238 Other current and accrued liabilities.

This account shall include the amount of all other current and accrued liabilities not provided for elsewhere appropriately designated and supported so as to show the nature of each liability.

ITEMS

- 1. Dividends declared but not paid.
- 2. Matured long-term debt.
- 3. Matured interest.
- 4. Taxes collected through pay roll deductions or otherwise pending transmittal to the proper taxing authority.

8. DEFERRED CREDITS .

251 Unamortized premium on debt.

A. This account shall include the total of the unamortized balance of premium

and expense for all classes of long-term debt, including receivers' certificates.

B. The premium and expense shall be amortized over the life of the respective issues under a plan which will distribute the amounts equitably over the life of the securities. The amortization shall be credited to account 429, Amortization of Premium on Debt—Credit.

252 Customer advances for construction.

This account shall include advances by customers for construction which are to be refunded either wholly or in part. When a customer is refunded the entire amount to which he is entitled, according to the agreement or rule under which the advance was made, the balance, if any, remaining in this account shall be credited to account 271, Contributions in Aid of Construction.

253 Other deferred credits.

This account shall include advance billings and receipts and other deferred credit items, not provided for elsewhere, including amounts which cannot be entirely cleared or disposed of until additional information has been received.

9. OPERATING RESERVES

261 Property insurance reserve.

A. This account shall include amounts reserved by the utility for self-insurance against losses through accident, fire, flood, or other hazards to its own property or property leased from others. A schedule of risks covered by this reserve shall be maintained, giving a description of the property involved, the character of the risks covered and the rates used.

B. Charges shall be made to this account for losses covered by self-insurance. Details of these charges shall be maintained according to the year the casualty occurred which gave rise to the

262 Injuries and damages reserve.

A. This account shall be credited with amounts charged to account 925, Injuries and Damages, or other appropriate accounts, to meet the probable liability, not covered by insurance, for deaths or injuries to employees and others, and for damages to property neither owned nor held under lease by the utility.

B. When liability for any injury or damage is admitted by the utility either voluntarily or because of the decision of a court or other lawful authority, such as a workmen's compensation board, the admitted liability shall be charged to this account and credited to the appropriate liability account. Details of these charges shall be maintained according to the year the casualty occurred which gave rise to the loss.

Note: Recoveries or reimbursements for losses charged to this account shall be credited hereto; the cost of repairs to property of others if provided for herein, shall be charged to this account.

263 Pensions and benefits reserve.

A. This account shall include provisions made by the utility and amounts contributed by employees for pensions, accident and death benefits, savings, relief hospital and other provident purposes, where the funds represented by the re-

serve are included in the assets of the utility either in general or in segregated fund accounts.

- B. Amounts paid by the utility for the purposes for which this reserve is established shall be charged hereto.
- C. A separate account shall be kept for each kind of reserve included herein.

Note: If employee pension or benefit plan funds are not included among the assets of the utility but are held by outside trustees, payments into such funds, or accruals therefor, shall not be included in this account.

265 Miscellaneous operating reserves.

A. This account shall include all operating reserves maintained by the utility which are not provided for elsewhere.

B. This account shall be maintained in such manner as to show the amount of each separate reserve and the nature and amounts of the debits and credits thereto.

Note: This account includes only such reserves as may be created for operating purposes and does not include any reservations of income the credits for which should be carried in account 215, Appropriated Earned Surplus.

10. CONTRIBUTIONS IN AID OF CONSTRUCTION

271 Contributions in aid of construction.

A. This account shall include donations or contributions in cash, services, or property from states, municipalities or other governmental agencies, individuals, and others for construction purposes.

B. The credits to this account shall not be transferred to earned surplus or to any other account without the approval of the Commission.

C. The records supporting the entries to this account shall be so kept that the utility can furnish information as to the purpose of each donation, the conditions, if any, upon which it was made, the amount of donations from (a) states, (b) municipalities, (c) customers, and (d) others, and the amount applicable to each utility department.

Note: There shall not be included in this account advances for construction which are ultimately to be repaid wholly or in part. (See account 252, Customer Advances for Construction.)

11. ACCUMULATED DEFERRED INCOME TAXES

Note A: The text of accounts below are designed primarily to cover deferrals of Federal income taxes arising under provisions of the Internal Revenue Code of 1954 but the accounts are also applicable to deferrals of State taxes on income.

NOTE B: Natural Gas Companies which, in addition to a gas utility department, have another utility department, electric, water, etc., and which have deferred taxes on income with respect thereto shall classify such deferrals in the accounts provided below under subdivisions for each utility department.

231 Accumulated deferred income taxes—Accelerated amortization.

A. This account shall be credited and account 410, Provision for Deferred Income Taxes, shall be debited with an amount equal to that by which taxes on income payable for the year are lower because of the use of accelerated (5-year) amortization of certified defense

facilities in computing such taxes, as permitted by Section 168 of the Internal Revenue Code of 1954 (Section 124A of previous Internal Revenue Code), as compared to the depreciation (deduction) otherwise appropriate and allowable for tax purposes according to the straight line or other nonaccelerated depreciation method and appropriate estimated useful life for such property.

B. This account shall be debited and account 411, Income Taxes Deferred in Prior Years-Credit, shall be credited with an amount equal to that by which taxes on income payable for the year are greater because of the use in prior year of accelerated (5-year) amoritization of certified defense facilities instead of nonaccelerated depreciation otherwise appropriate for income tax purposes, and deferral of taxes in such prior years as described in paragraph A, above. Such debit to this account and credit to account 411 shall, in general, represent the effect on taxes payable for the current year of the unavailability of a depreciation deduction for tax purposes, or a reduced amount, with respect to any depreciable property for which accelerated amortization was used in prior years, as compared to the depreciation deduction otherwise available and appropriate for such property, considering its estimated useful life, according to the depreciation method ordinarily used by the utility for similar property in computing depreciation for tax purposes by a nonaccelerated or nonliberalized depreciation method.

C. Records with respect to entries to this account, as described above, and the account balance, shall be so maintained as to show the factors of calculation and the separate amounts applicable to the facilities of each certification or authorization of accelerated amortization for tax purposes.

D. The use of this account and the accounting described above are not mandatory for any utility which, in accordance with a consistent policy, elects not to follow deferred tax accounting even though accelerated amortization is used in computing taxes on income. If, however, deferred tax accounting is initiated with respect to any certified defense facility, the accounting shall not be suspended or discontinued on the property covered by that certificate, without approval of the Commission.

E. The utility is restricted in its use of this account to the purposes set forth above. It shall not transfer the balance in this account or any portion thereof to surplus or make any use thereof except as provided in the text of this account without prior approval of the Commission. Any remaining balance of accumulated deferred taxes with respect to any certified defense facility for which deferred tax accounting has been followed shall, upon expiration of the estimated useful life of the facility on which deferred tax calculations were based, or upon retirement from service of such facility or predominant part thereof, be credited to account 411, Income Taxes Deferred in Prior Years-Credit, or otherwise be applied as the Commission may authorize or direct.

282 Accumulated deferred income taxes—Liberalized depreciation.

A. This account shall be credited and account 410, Provision for Deferred Income Taxes shall be debited with an amount equal to that by which taxes on income payable for the year are lower because of the use of liberalized depreciation in computing such taxes, as permitted by Section 167 of the Internal Revenue Code of 1954, as compared to the depreciation deduction otherwise appropriate and allowable for tax purposes for similar property of the same estimated useful life according to the straight line or other nonliberalized method of depreciation,

B. This account shall be debited and account 411, Income Taxes Deferred in Prior Years-Credit, shall be credited with an amount equal to that by which taxes on income payable for the year are greater because of the use in prior years of liberalized depreciation for income tax purposes, and deferral of taxes in such prior years as described in paragraph A above. Such debit to this account and credit to account 411, shall, in general, represent the effect on taxes payable for the current year of the smaller amount of depreciation permitted for tax purposes for the current year with respect to any depreciable property for which liberalized depreciation was used in prior years, as compared to the depreciation deduction otherwise appropriate and available for similar property of the same estimated useful life according to the straight line or other nonliberalized depreciation method ordinarily used by the utility in computing depreciation for tax purposes.

C. Records with respect to entries to this account, as described above, and account balance, shall be so maintained as to show the factors of calculation and the separate amounts applicable to the plant additions of each vintage year for each class, group, or unit as to which different liberalized depreciation methods and estimated useful lives have been used. The underlying calculations to segregate and associate deferred tax amounts with the respective vintage years may be based on reasonable methods of approximation, if necessary, consistently applied.

D. The use of this account and the accounting described above are not mandatory for any utility, which in accordance with a consistent policy, elects not to follow deferred tax accounting even though liberalized depreciation is used in computing taxes on income. If, however, deferred tax accounting is initiated with respect to any property, such accounting shall not be discontinued on that property without approval of the Commission.

E. The utility is restricted in its use of this account to the purposes set forth above. It shall not transfer the balance in the account or any portion thereof to surplus or make any use thereof except as provided in the text of this account without prior approval of the Commission. Any remaining deferred tax reserve balance with respect to any year's plant additions or subdivisions thereof for which liberalized depreciation accounting has been followed or, upon re-

tirement from service of such property or predominant portion thereof, or upon expiration of the estimated useful life on which the depreciation calculations for tax purposes are based, shall be credited to account 411, Income Taxes Deferred in Prior Years—Credit, or otherwise applied as the Commission may authorize or direct.

Accumulated deferred income taxes-Other.

A. This account, when its use has been authorized by the Commission for specific types of tax deferrals, shall be credited and account 410, Provision for Deferred Taxes on Income, shall be debited with an amount equal to that by which taxes on income payable for the year are lower because of the current use of deductions other than accelerated amortization or liberalized depreciation in the computation of income taxes, which deductions for general accounting purposes will not be fully reflected in the utility's determination of annual net income until subsequent years.

B. This account when its use has been authorized by the Commission, shall be debited and account 411, Income Taxes Deferred in Prior Years-Credit, shall be credited with an amount equal to that by which taxes on income payable for the year are greater because of deferral of taxes on income in previous years, as provided by paragraph A, above, because of difference in timing for tax purposes of particular income deductions from that recognized by the utility for general accounting purposes, other than with respect to accelerated amortization or liberalized depreciation. Such debit to this account and credit to account 411 shall, in general, represent the effect on taxes payable in the current year of the smaller deduction permitted for tax purposes as compared to the amount recognized in the utility's general accounts with respect to the item or class of items for which deferred tax accounting by the utility was authorized by the Commission.

C. Records with respect to entries to this account, as described above, and the account balance, shall be so maintained as to show the factors of calculation with respect to each annual amount of the item or class of items, other than accelerated amortization or liberalized depreciation, for which tax deferral accounting by the utility is authorized by the Commission.

D. The utility is restricted in its use of this account to the purposes set forth above. It shall not transfer the balance in the accounts or any portion thereof to surplus or make any use thereof except as provided in the text of this account, without prior approval of the Commission. Any remaining deferred tax account balance with respect to an amount for any prior year's tax deferral, the amortization of which or other recognition in the utility's income accounts has been completed, or other disposition made, shall be credited to account 411. Income Taxes Deferred in Prior Years-Credit, or otherwise disposed of as the Commission may authorize or direct.

Note: In determining appropriate use of this account as a basis of request to the Commission for authorization of its use, consideration shall be given to the relative importance of the amount involved, and to other items in the utility's accounts where "prepaid tax accounting" may be appropriate, such as situations (a) where the time of taking a deduction in computing taxes on income is such that the tax deduction must be delayed or applied to a series of future years as opposed to earlier recognition of such item in determination of income in the general accounts of the utility, or (b) where inclusion of an income item is required for tax purposes but is to be recognized in whole or in part in the utility's income accounts of a subsequent year or years.

Gas Plant Accounts

1. INTANGIBLE PLANT

301	Organization.
302	Franchises and consents.
303	Miscellaneous intangible plant.

Land and land rights.

305

2. PRODUCTION PLANT

A. MANUFACTURED GAS PRODUCTION PLANT Structures and improvements.

Boiler plant equipment.
Other power equipment.
Coke ovens.
Producer gas equipment.
Water gas generating equipment.
Liquefied petroleum gas equipment.
Oil gas generating equipment.
Generating equipment-other
processes.
Coal, coke, and ash handling equip-
ment.
Catalytic cracking equipment.
Other reforming equipment.
Purification equipment.
Residual refining equipment.
Gas mixing equipment.

B. NATURAL GAS PRODUCTION PLANT

Other equipment.

B 1. NATURAL GAS PRODUCTION AND GATHERING PLANT

325.1	Producing lands.
325.2	Producing leaseholds.
325.3	Gas rights.
325.4	Rights-of-way.
325.5	Other land and land rights.
326	Gas well structures.
327	Field compressor station structures.
328	Field measuring and regulating sta-
	tion structures.
329	Other structures.
330	Producing gas wells-Well construc-
	tion.
331	Producing gas wells—Well equipment.
332	Field lines.
333	Fleld compressor station equipment.
334	Field measuring and regulating sta-

Other equipment. B 2. PRODUCTS EXTRACTION PLANT

Drilling and cleaning equipment.

Land and land rights. 340 Structures and improvements. 341

tion equipment.

Purification equipment.

335

336

337

Extraction and refining equipment. 342 343 Pipe lines.

Extracted products storage equipment. 345 Compressor equipment. Gas measuring and regulating equip-346

ment. Other equipment.

3. STORAGE PLANT

A. UNDERGROUND STORAGE PLANT

350.1	Land.
350.2	Leaseholds.
350.3	Storage rights
350.4	Rights-of-way

Gas rights. 350.5 351 Structures and improvements. 352 Wells. 353 Lines. 354 Compressor station equipment. Measuring and regulating equipment.
Purification equipment. 355 Other equipment. B. LOCAL STORAGE PLANT 360 Land and land rights. 361 Structures and improvements. 362 Gas holders. Other equipment.

4. TRANSMISSION PLANT

365.1	Land and land rights.
365.2	Rights-of-way.
366	Structures and improvements.
367	Mains.
368 -	Compressor station equipment.
369	Measuring and regulating station equipment.
370	Communication equipment.
371	Other equipment.

5. DISTRIBUTION PLANT

Land and land rights.

Structures and improvements.
Mains.
Compressor station equipment.
Measuring and regulating station equipment—General.
Measuring and regulating station equipment—City gate check stations
Services.
Meters.
Meter installations.
House regulators.
House regulator installations.
Industrial measuring and regulating station equipment.
Other property on customers' premises.
Other equipment.

6. GENERAL PLANT

389	Land and land rights.
390	Structures and improvements.
391	Office furniture and equipment.
392	Transportation equipment.
393	Stores equipment.
394	Tools, shop and garage equipment.
395	Laboratory equipment.
396	Power operated equipment.
397	Communication equipment.
398	Miscellaneous equipment.
399	Other tangible property.

Gas Plant Accounts

1. INTANGIBLE PLANT

301 Organization.

This account shall include all fees paid to Federal or State governments for the privilege of incorporation and expenditures incident to organizing the cor-poration, partnership, or other enter-prises and putting it into readiness to do business.

- 1. Cost of obtaining certificates authorizing an enterprise to engage in the public utility business.
 - 2. Fees and expenses for incorporation.
- 3. Fees and expenses for mergers or consolidations.
- 4. Office expenses incident to organizing the utility.
 5. Stock and minute books and corporate

Note A: This account shall not include any discounts upon securities issued or assumed; nor shall it include any costs incident to negotiating loans, selling bonds or other evidences of debt, or expenses in connection with the authorization, issuance, or sale of capital stock.

Note B: Exclude from this account and include in the appropriate expense account the cost of preparing and filing papers in connection with the extension of the term of incorporation unless the first organization costs have been written off. When charges are made to this account for expenses incurred in mergers, consolidations, or reorganizations, amounts previously included herein or in similar accounts in the books of the companies concerned shall be excluded from this account.

Franchises and consents.

A. This account shall include amounts paid to the Federal Government, to a State or to a political subdivision thereof in consideration for franchises, consents, or certificates, running in perpetuity or for a specified term of more than one year, together with necessary and reasonable expenses incident to procuring such franchises, consents, or certificates of permission and approval, including expenses of organizing and merging separate corporations, where statutes require, solely for the purpose of acquiring franchises.

B. If a franchise, consent, or certificate is acquired by assignment, the charge to this account in respect thereof shall not exceed the amount paid therefor by the utility to the assignor, nor shall it exceed the amount paid by the original grantee, plus the expense of acquisition to such grantee. Any excess of the amount actually paid by the utility over the amount above specified shall be charged to account 435, Miscellaneous Debits to Surplus.

C. When any franchise has expired, the book cost thereof shall be credited hereto and charged to account 435, Miscellaneous Debits to Surplus, or to account 110, Accumulated Provision for Depreciation, Depletion and Amortization of Gas Plant, as appropriate.

D. Records supporting this account shall be kept so as to show separately the book cost of each franchise or consent.

Note: Annual or other periodic payments under franchises shall not be included herein but in the appropriate operating expense account.

303 Miscellaneous intangible plant.

A. This account shall include the cost of patent rights, licenses, privileges, and other intangible property necessary or valuable in the conduct of the utility's gas operations and not specifically chargeable to any other account.

B. When any item included in this account is retired or expires, the book cost thereof shall be credited hereto and charged to account 435, Miscellaneous Debits to Surplus, or account 110. Accumulated Provision for Depreciation, Depletion and Amortization of Gas Plant, as appropriate.

C. This account shall be maintained in such a manner that the utility can furnish full information with respect to the amounts included herein.

2. PRODUCTION PLANT

A. MANUFACTURED GAS PRODUCTION PLANT

304 Land and land rights.

This account shall include the cost of land and land rights used in connection and drip.

with manufactured gas production. (See gas plant instruction 6.)

Structures and improvements.

This account shall include the cost of structures and improvements used in connection with manufactured gas production. (See gas plant instruction 7.)

Note: Include relief holders in this account.

306 Boiler plant equipment.

This account shall include the cost installed of furnaces, boilers, steam and feed water piping, boiler apparatus, and accessories used in the production of steam at gas production plants.

ITEMS

1. Accumulators.

2. Air preheaters, including fans and drives, and ducts not part of building.

3. Ash disposal equipment, including sluiceways not part of a building, pumps and piping, crane, ash bucket conveyor and drives, ash cars, etc.

4. Belt conveyors, including drives.

Blast gate valves.

6. Blow-down tanks and piping.

7. Boilers, including valves attached thereto, casings, safety valves, soot blowers, attached soot hoppers, superheaters, and feed water regulators.

8. Cinder and dust catcher system, including mechanical and electric types.

9. Coal and coke handling equipment, including hoppers, lorries, etc., used wholly for boilers.

10. Combustion control system, including all apparatus installed for the regulation and control of the supply of fuel or air to boilers.

11. Control apparatus.

12. Cranes, hoists, etc., wholly identified use.

with apparatus listed herein.

13. Desuperheaters, and reducing valves. 14. Draft apparatus, including forced, induced, and other draft systems, with blowers, fans, and ducts not part of building.

15. Economizers.

16. Emergency, lighting systems, not part of building, keep-a-lite systems, etc.

17. Emergency signal systems, in connection with boiler operation.

· 18. Feed water heaters, including primary and stage.

19. Flues, uptakes, and breeching, whether or not stacks are included in this account.

20. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.

21. Furnaces.

22. Gas firing system, including gas lines, burners, etc., for gas fired boilers.

23. Injectors. 24. Mechanical stoker and feeding systems,

clinker grinders, including drives. 25. Meters, gauges, recording instruments.

26. Oil burning equipment, including tanks, heaters, pumps with drives, burner equipment, piping, and conditioning apparatus.

27. Painting, first cost.

28. Panels, control (for operating ap-

paratus listed herein).

29. Piping system, steam header and exhaust header, including accessory pipe hangers, steam traps, etc., make-up water. feed water, drip, blow-off, water pipe lines used for steam plant, and valve control system.

- 30. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
 - 31. Pulverizing equipment.
- 32. Pumps and driving units, for feed water, heater condensate, condenser water,

33. Stacks-brick, steel, and concrete, when set on separate foundations independent of substructure or superstructure of building.

34. Steam reheaters.

35. Steelwork, especially constructed for apparatus listed herein.

36. Tanks, including surge, weighing, return, blow-off, feed water storage.

37. Tar burning equipment for utilization of tar as boiler fuel, including tanks, pumps, burner equipment, piping, etc.
38. Waste heat boilers and accessories—

stack valve and stack irrespective of location.

39. Water treatment system, including purifiers, setting tanks, filters, chemical mixing and dosing apparatus, etc.

Note A: This account shall not include boilers or steam pipes whose primary purpose is the heating of buildings.

Note B: When the system for supplying boiler or condenser water is elaborate, as when it includes a dam, reservoir, canal, or pipe line, the cost shall not be charged to this account but to a special subdivision of account 305, Structures and Improvements-Manufactured Gas.

307 Other power equipment.

A. This account shall include the cost installed of electric generating and accessory equipment used for supplying electricity in gas production plants.

B. This account shall also include the cost installed of miscellaneous power equipment at gas production plants which is not included in any other account.

ITEMS

- 1. Acid proofing of battery rooms.
- 2. Air duct runs in battery rooms.

3. Air pump, steamjet.

- 4. Batteries for control and general station
- 5. Belts. pulleys, hangers, shafts, and countershafts.
- 6. Cables between generators and switchboards.

7. Cabinets, control.

. 8. Compartments, including busses, connections and items permanently attached.

9. Enclosure equipment not an integral part of building.

10. Engines, including steam rotary or reciprocating, steam turbines, and internal combustion engines.

11. Foundations and settings, specially constructed for and not intended to outlast

the apparatus for which provided.
12. Generators, A.C. or D.C., including excitation system.

13. Ground connections, for main station ground.

14. Lightning arresters.

15. Motor generators, frequency changers, and converters.

16. Overhead power lines, including poles, crossarms, insulators, conductors, etc.

17. Panels, control, including supports and Instruments.

18. Piping applicable to apparatus listed herein.

19. Reactors.

20. Rectifiers.

21. Safety equipment, including rubber mats, remote closing devices, glove cabinets.
22. Switchboards, including frames, panels,

meters, and instruments.

23. Switching equipment, including oil circuit breakers, disconnecting switches, and connections.

24. Synchronous converters.

25. Transformers, including transformer platforms.

26. Underground conduit system, including manholes and conductors.

Nore: When any unit of equipment listed herein is wholly used to furnish power to

PROPOSED RULE MAKING

equipment included in another single account, its cost shall be included in such account.

308 Coke ovens.

This account shall include the cost installed of coke ovens used for the production of gas.

- 1. Apparatus for placing coal in ovens.
- 2. Bins, if not part of a building.
- Cabinets, control.
- Calorimeters.
- 5. Cars, quenching.
- Charging lorry.
 Clay mixers.
- 8. Coke guide.
- 9. Coke and pusher benches.
- 10. Collecting mains.
- 11. Control apparatus.
- 12. Conveyor, flight.
- 13. Cover lifting machinery.
- 14. Door handling machine.
- 15. Door luting machine.
- 16. Driving units for coke oven machinery.
- 17. Enclosures for machinery.
- 18. Engines, when not an integral part of the driven equipment.
 - 19. Firing equipment.
 - 20. Flues, uptakes, and breeching.
 - 21. Foundations.
- 22. Fuel handling equipment used exclusively for coal to be carbonized in ovens.
 - 23. Fuel systems under ovens.
 - 24. Hot coke wharves.
 - 25. Hot coke cars.
 - 26. Instruments or meters, electrical.
 - 27. Locomotives.
 - 28 Mud mill.
 - 29. Motor control equipment.
 - 30. Ovens.
 - 31. Panel, control.
- 32. Piping, including ascension pipes, hydraulic main, liquor flushing decanter tank, liquor pump, and return line to hydraulic main.
- 33. Pushers, including tracks and driving equipment.
- 34. Quenching station including structure, tank, well, piping, etc.
- 35. Quenching towers, piping, etc.
- 36. Regenerator, from bottom of oven floor tile to battery foundation.
 - 37. Reversing machine, with enclosure.
 - 38. Scale, platform.
- 39. Signal system.
- 40. Skip hoist.
- 41. Stacks.
- 42. Steel and iron work supports, platforms, stairways, etc.
 - 43. Switches and switchboards.

Producer gas equipment.

This account shall include the cost installed of equipment used for the production of producer gas.

ITEMS

- 1. Ash handling equipment, used exclusively for producers.
- 2. Blast apparatus, including blowers, driving units, and blast mains.
 - 3. Control apparatus.
 - 4. Coolers and scrubbers.
- 5. Driving apparatus for producers.6. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
- 7. Fuel handling equipment, used exclusively for producers.
- 8. Humidifiers.
- 9. Piping—air, steam (commencing at steam header), water (inside of building), and producer gas (up to outlet of final piece of apparatus in building).
- 10. Producer boosters, including driving
- units.
 11. Producers.
 - 12. Water separators.

Water gas generating equipment.

This account shall include the cost installed of equipment used in the generation of water gas.

ITEMS

- 1. Automatic operation equipment:
- 2. Back-run installations.
- 3. Blast equipment, including blowers and driving units, piping and supports.
 4. Bridge, coal shed to generator house.

 - 5. Carburetors.
 - Charging equipment, fuel.
- 7. Circulating water pumps.
 8. Concrete or brick pits, including cover, not part of building.
 9. Control apparatus.

 - 10. Conveyors.
 - 11. Dust collectors.
- 12. Enclosures for equipment (barriers, fire walls, guards, housings, screens, etc.)
- 13. Flow meters.
- 14. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
- 15. Fuel handling equipment used exclusively for fuel for this account.
 - 16. Gauges, indicating and recording.
 - 17. Generators.
 - 18. Hot valves.
 - 19. Hydraulic operation equipment.
 - 20. Instruments and meters, electrical.
- 21. Oil handling and storage apparatus used solely for water gas apparatus (tanks, pumps and oil lines, oil heaters, manholes, valve pits, regulators, strainers, etc.).
 - 22. Oil spray.
- 23. Operating floors and supports, stair-
- ways, etc.
 24. Piling under foundations.
- 25. Piping and valves—steam (commencing at steam header), tar (to decanter), water (inside of building), and gas (up to outlet of final pieces of apparatus in building)
 - 26. Pressure regulators.
- 27. Scales, when used in connection with items in this account.
 - 28. Seal pots.
 - 29. Superheaters and superheater stacks.
 - 30. Tanks, hydraulic pressure.
 - 31. Valve operating mechanisms.
 - 32. Wash boxes.

311 Liquefied petroleum gas equipment.

- A. This account shall include the cost installed of equipment used for the production of gas from petroleum derivatives, such as propane, butane, or gasoline.
- B. Subdivisions of this account shall be maintained for each producing process for which this account is provided. A separate subaccount shall be maintained also for bottling equipment included herein.

ITEMS

- 1. Blowers.
- Boilers.
- 3. Calorimixer.
- 4. Carbureting equipment.
- 5. Compression equipment.
- Controller.
- Control apparatus.
- ß. Enclosures and protective fences.
- 9. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
 - 10. Heat exchanger.
 - 11. Gauges and instruments.
 - 12. Mixing or proportioning equipment.
- 13. Motors, not an integral part of driven equipment.
- 14. Odorizing equipment.
- 15. Oil separator.
- 16. Piping-steam (commencing at steam header), water (inside of building), oil (from

supply tank), and gas (up to outlet of final piece of apparatus in building).

- 17. Pits.
- 18. Prime movers.
- 19. Pumps, including driving units.
- 20. Regulator.
- 21. Stairs, platforms, and ladders.
- 22. Storage equipment, tanks, etc.
- 23. Superheater.
- 24. Traps.
- -regulating and check. 25. Valves-
- 26. Vaporizing equipment.

312 Oil gas generating equipment.

This account shall include the cost installed of equipment used for generating oil gas.

ITEMS

- 1. Air blast equipment, including blowers and driving units, piping and supports.
 - 2. Air inlet louvres and filters.
- 3. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
- 4. Generating equipment, including auto-
- matic cycle controls, generators, operating floor, superheaters and wash boxes.

 5. Instruments and instrument boards, complete with signal lights and thermo couples and including gauge board, pressure gauges and pyrometers.
- 6. Meters and regulators, such as air flow meter, generator oil meter, steam flow meter and steam regulator.
- 7. Piping and valves, air, steam (commencing at steam header), water (inside building) and oil gas (up to outlet of final piece of apparatus in building).
 - 8. Pumps, hydraulic and oil.
- 9. Tanks, hydraulic accumulator, hydraulic return, oil and steam accumulator.

313 Generating equipment—Other proc-

This account shall include, with subdivisions for each type of gas produced. the cost installed of generating equip-ment which is not included in any of the foregoing accounts, such as benches and retorts for the production of coal gas. equipment used for generating acetylene gas, etc.

ITEMS

- · As to coal gas production equipment:
- 1. Benches.
- 2. Charging and drawing machines.
- 3. Control apparatus. Equipment for steaming retorts.
- 5. Flues, uptakes and breeching, whether or not stacks are included in this account.
- 6. Foundations 7. Fuel handling equipment used exclusively for retorts, including weight lorries, tracks, etc., and grinders, breakers and screens located in retort house.
- 8. Fuel system under retorts, including
- built-in producers. 9. Piping, including ascension pipes, hydraulic main, liquor flushing decanter tank, liquor pump, and return line to hydraulic
- main. 10. Primary atmospheric condensers.
- 11. Retorts. 12. Stacks-brick, steel, and concrete when set on separate foundations independent of substructure or superstructure of buildings, including lightning arresters.

Coal, coke, and ash handling equip-

This account shall include the cost installed of structures or equipment used for the transportation, storage, washing, and treatment of coal, coke, and ashes, when used for general gas plant opera-

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ITEMS

- 1. Bins-mixing, refuse, storage, etc.
- 2. Boom operating mechanism.
- 3. Breaker equipment.
- 4. Bridges, bridge track, and machinery. 5. Bucket conveyors and supports.
- 6. Capstan.
- Cars.
- 8. Chutes.
- 9. Circuit breakers.
- 10. Coal loaders.
- 11. Coal preparation machinery, including washing and drying equipment.
 - 12. Conduit, electrical.
 - 13. Conveyors and supports.
- 14. Crane, caterpillar.
- 15. Driving apparatus for equipment listed herein.
 - 16. Elevators.
 - Enclosure equipment.
- 18. Engines, not an integral part of driven equipment.
- 19. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
 - 20. Gravity swing unloader.

 - 21. Hoppers.
 22. Instruments or meters, electrical.
 - 23. Ladders, fixed.
 - 24. Loading towers and equipment.
- 25. Locomotives.
- 26. Motor generators used only for equipment in this account.
- 27. Panel, control.
- 28. Pits.
- 29. Pulverizing equipment.80. Railroad sidings and yard tracks.
- 31. Sampling equipment.
- 32. Scales.
- 33. Screens.
- 34. Sheds and fencing.
- 85. Shuttle boom.
- 36. Signal system equipment.
- 37. Silo.
- 38. Skip hoist.
- 39. Stairs, railings, etc.
- 40. Transfer cars and trucks.
- 41. Trestles.
- 42. Turntable.
- 43. Unloaders.
- 44. Weighometer.

Catalytic cracking equipment.

This account shall include the cost installed of equipment used for producing gas by the catalytic cracking process.

- 1. Caloric meters.
- 2. Catalytic furnace, including catalyst and foundation.
 - 3. Combustion air blowers.
 - 4. Compressors, air.
 - 5. Control equipment.
 - 6. Cooling coils, including foundations. 7. Cooling towers, including foundations.
- 8. Enclosures.
- 9. Fractionalizing units.
- 10. Piping and valves.
- 11. Preheaters.
- 12. Pressure regulators.
- 13. Proportioning controls.
- 15. Vaporizers.

316 Other reforming equipment.

This account shall include the cost installed of equipment, other than catalytic cracking equipment, used primarily for reforming gas with resultant changes in its chemical composition and calorific

TTEMS

- 1. Blast equipment, including blowers and driving units, piping, and supports.
 - 2. Control apparatus.

- 3. Foundations and settings, specially constructed for and not intended to outlast the apparatus for which provided.
- 4. Fuel and ash handling equipment, used wholly in reforming gas.
- 5. Oil gas apparatus, used for reforming
- 6. Piping—steam (commencing at steam header), water (inside of building), and gas (up to outlet of final piece of apparatus in building).
 - 7. Pumps and driving units.
 - 8. Purifiers for gas to be reformed.
 - 9. Regulators.
- 10. Water gas generators, used primarily for reforming gas.

317 Purification equipment.

This account shall include the cost installed of apparatus used for the removal of impurities from gas and apparatus for conditioning gas, including pumps, wells, and other accessory apparatus.

- 1. Blowers for revivifying.
- 2. Blowers for activators.
- 3. Condensers and washer coolers.
- Control apparatus—conduit, cable, cabinets, switchboards, etc.
- 5. Crane or cover lifting equipment, not part of the structure.
 - 6. Dehydrators.
- 7. Engines, not an integral part of driven equipment.
- 8. Foundations and settings, specially constructed for and not intended to outlast the equipment for which provided.
 - 9. Instruments and meters, electric.
 - 10. Lubricators.
 - 11. Naphthalene and light oil scrubbers.
- 12. Other accessory equipment such as coolers, spray ponds, pumps, platforms, rail-
- ings, stairs.
 13. Oxide elevators and pits, platforms, tables, and trenches.
- 14. Piping—air, steam, water, gas, condensate, liquor, tar, etc. from inlet valve of first piece of apparatus to outlet valve of final piece of apparatus (or, in building, from entrance to building to exit from
- building). 15. Precipitators.
- 16. Purifiers-iron oxide or liquid, including first filling.

- 17. Recording gauges and thermometers.18. Revivifying air ducts.19. Saturator with auxiliary equipment.
- 20. Scrubbers.
- 21. Seal and drip pots.
- 22. Signal system identified with equipment herein.
 - 23. Sulphur removal apparatus.
- 24. Tar extractors and Cottrell precipitators
 - 25. Tar pumps and tanks.
 - 26. Track runs for cranes and hoists.
 - Wash boxes.
 - 28. Water meters, for cooling water.

318 Residual refining equipment.

This account shall include the cost installed of apparatus used in refining and handling of residuals except where the apparatus is necessary for the operation of property included in account 317, Purification Equipment.

- 1. Ammonia stills, condensers, saturators, etc.
- 2. Apparatus for removal of residuals from purifier liquids.
- 3. Coke filter. 4. Coke handling and storage facilities, used solely for coke held for sale.

- 5. Condensers.
- 6. Control apparatus.
- Coolers.
- 9. Foundations specially constructed for and not intended to outlast the apparatus for which provided. 10. Gauges.
- 11. Heating equipment for apparatus included in this account.
 - 12. Instruments.
 - 13. Light oil stills, washers, etc. 14. Piping and pumps.

 - 15. Platforms, stairs, and ladders.
 - 16. Separators. 17. Storage tanks.

 - 18. Supports.
 - 19. Tar dehydrators, stills, etc.

Gas mixing equipment

This account shall include the cost installed of equipment used for mixing manufactured and natural gas, or the mixing of other gases incident to delivery of such mixed gases to the distribution system.

- 1. Alcohol units.
- Automatic mixing controls.
- Btu adjustor.
- Calorimeter. Calorimixer.
- Compressor.
- Gas heater.
- Gas scrubber (air filter, dust cleaner).
- Gauges and instruments.
- Meters.
- 11. Mixing chambers.
- 12. Odorizing equipment.
- 13. Oil pump units.
- 14. Panel and control equipment.
- 15. Piping and valves.16. Regulators, pressure and ratio.
- Safety alarm equipment.

320 Other equipment. This account shall include the cost installed of equipment used in the production of gas, when not assignable to any of the foregoing accounts.

- 1. Cabinet, control.
- 2. Compressed air system.
- 3. Fire hose carts. First aid room equipment.
- Foamite system. 6. Foundations and settings specially constructed for and not intended to outlast the apparatus for which provided.
- 7. Gasoline pumps.
- 8. Hand pumps. 9. Machine shop equipment, such as lathes, pipe cutting and threading machines, vise grinders, power saw, shop motors, shafting and belting, drill press, shapers, milling
- machines, planes, etc.
- 10. Odorizing equipment.
 11. Office furniture and equipment.
- 12. Oil foggers.
- 13. Panel, control.
- 14. Piping—yard, when not includible in other accounts. 15. Pits.
 - 16. Platforms.
 - 17. Portable scaffolds, ladders, etc. 18. Power shovels.
- 19. Production laboratory equipment. 20. Scales, not associated with other
- equipment.
- 21. Special signal equipment.22. Tractors for general plant use.
- 23. Works exhauster including driving unit and governor. 24. Works station meters, including gauges, piping and accessories.

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B. NATURAL GAS PRODUCTION PLANT

B 1. NATURAL GAS PRODUCTION AND GATHERING PLANT

325.1 Producing lands.

This account shall include the cost of lands held in fee on which producing natural gas wells are located, and lands held in fee which are being drained of natural gas through the operation by the utility of wells on other land. (See gas plant instruction 6-G.)

325.2 Producing leaseholds.

A. This account shall include the cost of acquiring leaseholds on which the utility pays royalties for natural gas obtained therefrom. (See gas plant instruction 6-G.)

B. Exclude from this account rents paid periodically for rights obtained under leases. Exclude also from this account the cost of leaseholds which terminate in one year or less after they become effective.

325.3 Gas rights.

This account shall include the cost of natural gas rights used in producing natural gas, whereby the utility obtains ownership in gas underlying land not owned or leased by the utility. It does not provide for gas rights which are leased and which are properly chargeable to account 325.2, Producing Leaseholds.

325.4 Rights-of-way.

This account shall include the cost of all interests in land which terminate more than one year after they become effective and on which are located gathering pipe lines, telephone pole lines, and like property used in connection with the production of natural gas.

Other land and land rights.

This account shall include the cost of land and land rights used in connection with the production of natural gas, when not properly assignable to any of the foregoing accounts.

326 Gas well structures.

This account shall include the cost of well structures and improvements used in connection with the housing of permanent bailers and other equipment necessary to keep the wells in operation. (See gas plant instruction 7.)

Field compressor station structures.

This account shall include the cost of structures and improvements used in connection with the housing of compressor station equipment used to raise the pressure of natural gas before it is conveyed to the terminus of the field lines. (See gas plant instruction 7.)

328 Field measuring and regulating station structures.

This account shall include the cost of structures and improvements used in connection with the housing of meters. regulators, and appurtenant appliances for measuring and regulating natural gas before the point where it enters the transmission or distribution system. (See gas plant instruction 7.)

329 Other structures.

This account shall include the cost of structures and improvements used in connection with natural gas production and gathering not provided for elsewhere. (See gas plant instruction 7.)

330 Producing gas wells-Well construc-

This account shall include the cost of drilling producing gas wells.

ITEMS

- 1. Clearing well site.
- 2. Hauling, erecting, dismantling, and removing boilers, portable engines, derricks, rigs, and other equipment and tools used in drilling.
 - 3. Drilling contractors' charges.
 - 4. Drive pipe.
 - 5. Fuel or power.

 - 6. Labor.7. Rent of drilling equipment.
- 8. Water used in drilling, obtained either by driving wells, piping from springs or streams, or by purchase.
 - 9. Hauling well equipment.
 - 10. Shooting, fracturing, acidizing.

331 Producing gas wells-Well equipment.

This account shall include the cost of equipment in producing gas wells.

- 1. Bailing equipment.
- 2. Boilers and drives permanently connected.
- 3. Casing.
- 4. Derrick.
- 5. Fence, when solely an enclosure for equipment.
- 6. Fittings, including shut-in valves, bradenheads and casing heads.
 - 7. Packing.
- 8. Tank, oil or water, etc.
- 9. Tubing.

332 Field lines.

This account shall include the cost installed of field lines used in conveying natural gas from the wells to the point where it enters the transmission or distribution system.

ITEMS

- 1. Gathering lines, including pipe, valves, fittings, and supports.
 2. Cathodic protection equipment.
- 3. Creek crossings, suspension bridges and other special construction.
- 4. Line drips and separators.

333 Field compressor station equipment.

This account shall include the cost installed of compressor station equipment and associated appliances used to raise the pressure of natural gas before it is conveyed to the terminus of the field lines.

ITEMS

- 1. Boiler plant, coal handling and ash handling equipment for steam powered compressor station.
- 2. Compressed air system equipment.
- 3. Compressor equipment and driving units, including auxiliaries, foundations, guard rails and enclosures, etc.
- 4. Electric system equipment, including generating equipment and driving units, power wiring, transformers, regulators, bat-tery equipment, switchboard, etc.
- 5. Fire fighting equipment.
- 6. Gas lines and equipment, including fuel supply lines, cooling tower and pond and associated equipment, dehydrators, fuel gas

mixers, special pipe bends and connections, and associated scrubbers, separators, tanks, gauges and instruments.

7. Laboratory and testing equipment.

8. Lubricating oil system, including centrifuge, filter, tanks, purifier, and lubricating oil piping, etc.

9. Office furniture and fixtures and general equipment such as heating boilers, steel lockers, first-aid equipment, gasoline dispensing equipment, lawn mowers, incinerators, etc.

10. Shop tools and equipment.

11. Water supply and circulation system, including water well, tank, water piping, cooling tower, spray fence, and water treat-ment equipment, etc., but not including water system equipment solely for domestic and general use.

Field measuring and regulating station equipment.

This account shall include the cost installed of meters, gauges, and other equipment used in measuring and regulating natural gas collected in field lines before the point where it enters the transmission or distribution system.

- 1. Automatic control equipment.
- Boilers, heaters, etc.
 Foundations, pits, etc.
- 4. Gas cleaners, scrubbers, separtors, dehydrators, etc.
- 5. Gauges and instruments, including piping, fittings, wiring, etc., and panel boards.
- 6. Headers. 7. Meters, orifice or positive, including pip-
- ing and connections. 8. Oil fogging equipment.
- Odorizing equipment.
- 10. Regulators or governors, including controls and instruments.
- 11. Structures of a minor nature or portable type.

335 Drilling and cleaning equipment.

This account shall include the cost of implements and equipment used in drilling and cleaning natural gas wells.

ITEMS

- 1. Bailers.
- 2. Bits and other drilling tools.
- 3. Boilers.
- 4. Derricks.
- Drilling cables.
- Drilling machines.
- 7. Engines.
- 8. Motors.
- 9. Pulling machines.
- 10. Pumps.
- 11. Rigs. 12. Tanks.

336 Purification equipment.

This account shall include the cost installed of apparatus used for the removal of impurities from gas and apparatus for conditioning gas.

ITEMS

- 1. Condensers and washer coolers
- 2. Dehydrators.
- 3. Foundations and settings, specially constructed for and not intended to outlast the equipment for which provided.
- 4. Other accessory equipment, such as coolers, spray ponds, pumps, platforms, railings, stairs.
- 5. Piping, from inlet valve of first piece of apparatus to outlet valve of final piece of apparatus (or, in building, from entrance to building to exit from building).
 - 6. Scrubbers.
 - 7. Sulphur removal apparatus.
 - 8. Water supply system.

Note: In general this account shall include all dehydrators located in or adjacent to

production areas which are used to remove water and other stray liquids from gas produced by the utility or purchased in or adjacent to production areas. In some instances such dehydrators may be located some distance from the production sources of the gas. Where, however, the utility has no production and gathering facilities with respect to any of the gas passing through the dehydrators, such as at the purchase point at the head of a transmission pipe. line company, the dehydrators may be included in account 368, Compressor Station Equipment, or account 367, Mains, whichever is the most practicable and reasonable under the circumstances. Dehydrators which are an adjunct to products extraction operations shall be included in account 342, Extraction and Refining Equipment. Dehydrators used in connection with underground gas storage operations shall be included in account 356, Purification Equip-

337 Other equipment.

This account shall include the cost installed of equipment used in the production and gathering of natural gas, when not assignable to any of the foregoing accounts.

- 1. Calorimeter.
- 2. Control installation.
- 3. Crane.
- 4. Laboratory equipment.
- 5. Odorizing unit.6. Office furniture and equipment.
- 7. Oil fogger.

B 2. PRODUCTS EXTRACTION PLANT

340 Land and land rights.

This account shall include the cost of land and land rights used in connection with the processing of natural gas for removal of gasoline, butane, propane, or other salable products. (See gas plant instruction 6.)

341 Structures and improvements.

This account shall include the cost of structures and improvements used in connection with the processing of natural gas for removal of gasoline, butane, propane, or other salable products. (See gas plant instruction 7.)

342 Extraction and refining equipment.

This account shall include the cost installed of equipment used for the extraction from natural gas of gasoline, butane, propane, or other salable products and for the refining of such products.

- 1. Boiler plant equipment, including boiler, boiler setting, heat exchangers, etc.
- 2. Compressed air system, including air compressor, air storage tank, etc.
- 3. Cooling equipment such as coolers, cooling tower and accessories for gas, extracted products, etc.
 - 4. Cranes, trolleys, and hoists.
- 5. Electrical system, including generator and driving unit, power lines, transformers, switchboard, yard lighting system, etc.
- 6. Extraction and refining equipment, such as absorbers, reabsorbers, stills dephlegmators, fractionating towers, stabilizing columns, control apparatus.
- 7. Foundations and structural supports for equipment items not intended to outlast the equipment for which provided.
- 8. Fuel regulating and measuring equipment.

- 9. Gasoline blending equipment including dye pot, eductor pumps, lead storage tanks, weighing device, etc.
 - 10. Gauges and instruments.
- 11. Loading racks and associated other equipment.
- 12. Lubricating oil system.
- 13. Pumps of various types, such as boiler feed water pumps, loading and transfer pumps, drip still pumps, oil pumps, skimmer basin pumps, etc.
- 14. Tanks of various types such as accumulator and dewatering tanks, separator tanks, gasoline feed tanks, compressed air tanks, oil surge tanks, etc., except tanks classifiable as storage equipment, account 344.
- 15. Water supply system including water well, water tank and supports, water softener or purification apparatus, traveling water screen and drive.
- 16. Yard piping, gas, water, steam, compressed air, fuel, vapor, extracted products, including headers, valves, etc., but not including off-site lines includible in account 343, Pipe Lines.

343 Pipe lines.

This account shall include the cost installed of gas and liquids pipe lines used in connection with the processing of natural gas for the removal of gasoline, butane, propane, or other salable products, exclusive of runs of pipe appropriately includible in other equipment accounts, embracing principally off-site gas, gasoline gathering, and loading lines not includible as yard piping in account 342, Extraction and Refining Equipment.

- 1. Gas lines, off-site, relating solely to extraction operations.
- 2. Gasoline gathering lines connecting with off-site sources.
 - 3. Gathering line drips.
 - 4. Instruments, indicating and recording.
- 5. Loading lines connecting with remote off-site loading racks or storage facilities.
- 6. Pumps and driving units.

Extracted products storage equip-

This account shall include the cost installed of storage tanks and associated equipment used in the storing, prior to sale, of gasoline, butane, propane, and other salable products extracted from natural gas.

- 1. Foundations. 2. Instruments.
- 3. Regulators.
- 4. Storage tanks for partially or fully processed products.
 - 5. Valves.

Compressor equipment.

This account shall include the cost installed of compressor equipment and associated appliances used in connection with the receipt, processing, and return of natural gas processed for removal of gasoline, butane, propane, or other salable products.

ITEMS

(See account 383 for items.)

Gas measuring and regulating equipment.

This account shall include the cost installed of meters, gauges, and other equipment used in measuring or regulating natural gas received and/or re-

turned from processing for removal of gasoline, butane, propane, or other salable products.

ITEMS

- 1. Automatic control equipment.
- 2. Boilers, heaters, etc.
- 3. Foundations, pits, etc.
- 4. Gas cleaners, scrubbers, separators, dehydrators, etc.
- 5. Gauges and instruments, including piping, fittings, wiring, etc., and panel boards.
 - 6. Headers.
- 7. Meters, orifice or positive, including piping and connections.
 8. Oil fogging equipment.
- 9. Odorizing equipment.
 10. Regulators or governors, including controls and instruments.
- 11. Structures of a minor nature or portable type.

Other equipment.

This acount shall include the cost installed of equipment used in processing natural gas and refining gasoline, butane, propane, and other salable products extracted from natural gas, when not assignable to any of the foregoing accounts.

ITEMS

- 1. Fire fighting equipment.
- 2. Laboratory and testing equipment.
- 3. Miscellaneous equipment, such as firstaid cabinet, gasoline dispensing pump, heating boiler, incinerator, lawn mower, warehouse truck.
- 4. Office furniture and equipment.
- 5. Shop tools and equipment.

3. STORAGE PLANT

A. UNDERGROUND STORAGE PLANT

350.1 Land.

This account shall include the cost of lands held in fee on which underground storage wells are located, and other lands held in fee within an area utilized for the underground storage of gas. (See gas plant instruction 6-G.)

350.2 Leaseholds.

- A. This account shall include the cost of acquiring leaseholds on lands within an area of underground gas storage op-(See gas plant instruction erations. 6-G.)
- B. Exclude from this account rents paid periodically for rights obtained under leases.

350.3 Storage rights.

- A. This account shall include the cost of rights obtained from others for use of lands for the underground storage of gas.
- B. Exclude from this account rents or other charges paid periodically for use of lands for underground gas storage purposes.

350.4 Rights-of-way.

This account shall include the cost of all interests in land which do not terminate until more than one year after they become effective and on which are located underground storage lines, telephone pole lines, and like property used in connection with underground gas storage operations.

350.5 Gas rights.

This account shall include the cost of natural gas rights whereby the utility

PROPOSED RULE MAKING

obtains ownership in gas underlying land within an underground gas storage area but not owned or leased by the utility. It does not provide for gas rights which are leased and which are properly chargeable to account 350.2. Leaseholds.

351 Structures and improvements.

- A. This account shall include the cost in place of structures and improvements used wholly or predominantly in connection with underground storage of natural gas. (See gas plant instruction
- B. This account shall be subdivided as follows:
- Well structures.
- 351.2 Compressor station structures.
- 351.3 Measuring and regulating station structures.
- 351.4 Other structures.

352 Wells.

This account shall include the drilling cost of wells used for injection and withdrawal of gas from underground storage projects, including wells kept open and used for observation.

ITEMS

Drilling:

- 1. Clearing well site.
- 2. Hauling, erecting, dismantling, and removing boilers, portable engines, derricks, rigs, and other equipment and tools used in
- 3. Drilling contractors' charges.
- 4. Drive pipe.
- 5. Fuel or power.
- 6. Labor.
- 7. Rent of drilling equipment.
- 8. Water used in drilling, obtained either by driving wells, piping from springs or streams, or by purchase.

 9. Hauling well equipment.

 10. Shooting, fracturing, acidizing.

 - Equipment:
 - 11. Bailing equipment.
- 12. Boilers and drives permanently connected.
- 13. Casing.
- 14. Derrick.
- 15. Fence, when solely an enclosure for equipment.
- 16. Fittings, including shut-in valves, bradenheads and casing heads.
 - 17. Packing.
 - 18. Tank, oil or water, etc.
 - 19. Tubing.

353 Lines.

This account shall include the cost installed of gas pipe lines used wholly or predominantly for conveying gas from point of connection with transmission or field lines to underground storage wells and from underground storage wells to the point where the gas enters the transmission or distribution system.

- 1. Cathodic protection equipment.
- 2. Creek crossings, suspension bridges and other special construction.
- 3. Lines, including pipe, valves, fittings, and supports.
- 4. Line drips and separators.

354 Compressor station equipment.

This account shall include the cost installed of compressor station equipment used wholly or predominantly for the purpose of raising the pressure of gas for delivery to underground storage or to raise the pressure of gas withdrawn from

underground storage for delivery to the transmission or distribution system.

ITEMS

- 1. Boiler plant, coal handling and ash handling equipment for steam powered compressor station.
- 2. Compressed air system equipment.
- 3. Compressor equipment and driving units, including auxiliaries, foundations, guardrails and enclosures, etc.
- 4. Electric system equipment, including generating equipment and driving units, power wiring, transformers, regulators, battery equipment, switchboard, etc.
 - 5. Fire fighting equipment.
- 6. Gas lines and equipment, including fuel supply lines, cooling tower and pond and associated equipment, dehydrators, fuel gas mixers, special pipe bends and connections, and associated scrubbers, separators, tanks, gauges and instruments.
 - 7. Laboratory and testing equipment.
- 8. Lubricating oil system, including centrifuge, filter, tanks, purifier, and lubricating oil piping, etc.
- 9. Office furniture and fixtures and general equipment such as steel lockers, first-aid equipment, gasoline dispensing equipment, lawn mowers, incinerators, etc.
 - 10. Shop tools and equipment,
- 11. Water supply and circulation system, including water well, tank, water piping, cooling tower, spray fence, and water treatment equipment, etc., but not including water system equipment solely for domestic and general use.

355 Measuring and regulating equip-

This account shall include the cost installed of equipment used wholly or predominantly for the purpose of measuring and regulating deliveries of gas to underground storage and withdrawals of gas from underground storage.

- 1. Automatic control equipment.
- 2. Boilers, heaters, etc.
- 3. Foundations, pits, etc.
- 4. Gas cleaners, scrubbers, separators, dehydrators, etc.
- 5. Gauges and instruments, including piping, fittings, wiring, etc., and panel boards. 6. Headers.
- 7. Meters, orifice or positive, including piping and connections.
 - 8. Oil fogging equipment.
 - 9. Odorizing equipment.
- 10. Regulators or governors, including controls and instruments.
- 11. Structures of a minor nature or portable type.

Purification equipment.

This account shall include the cost installed of apparatus used wholly or predominantly for the removal of impurities from and the conditioning of, gas delivered to or removed from underground storage fields.

ITEMS

- 1. Condensers and washer coolers.
- 2. Dehydrators.
- 3. Foundations and settings, specially con-structed for and not intended to outlast the equipment for which provided.
- 4. Other accessory equipment, such as coolers, spray ponds, pumps, platforms, rail-
- ings, stairs.
 5. Piping, from inlet valve of first piece of apparatus to outlet valve of final piece of apparatus (or, in building, from entrance to building to exit from building).

 - 6. Scrubbers.
 7. Sulphur removal apparatus.
 - 8. Water supply system.

357 Other equipment.

This account shall include the cost installed of equipment used wholly or predominantly in connection with underground storage of gas, when not assignable to any of the foregoing accounts.

- 1. Calorimeter.
- 2. Control installation.
- 3. Crane.
- 4. Odorizing unit.
- Office furniture and equipment.
- 6. Oil fogger.

B. LOCAL STORAGE PLANT

360 Land and land rights.

This account shall include the cost of land and land rights used in connection with local storage of gas in holders within or adjacent to distribution areas. (See gas plant instruction 6.)

361 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with local storage of gas within or adjacent to distribution areas. (See gas plant instruction 7.)

362 Gas holders.

This account shall include the cost installed of holders and associated appliances used in the storage of gas above ground, or in underground receptacles installed for local storage purposes.

- 1. Alarm systems.
- 2. Buried piping, tanks or other underground construction for gas storage.
 - 3. Flood and fire control equipment.
 - 4. Foundations.
 - 5. Holder pistons.
- 6. Holders—waterless, including elevators, tar apparatus, and inlet and outlet connections.
- 7. Holders-waterseal, including oil skimmer, heating equipment, drips, and inlet and outlet connections.
- 8. Hortonspheres and high pressure tanks, including inlet and outlet connections, access equipment, etc.
 - 9. Lighting.
 - 10. Pumps.
 - 11. Ventilating equipment.
 - 12. Walkways.

NOTE A: If the utility stores gas by the liquefaction process the holders for such liquids, whether above or below ground, shall be included in a separate subaccount hereunder.

Note B: Relief holders used in connection with manufactured gas operations shall be included in account 305, Structures and Improvements.

363 Other equipment.

This account shall include the cost installed of other equipment used in connection with the storage of gas within or adjacent to distribution areas.

ITEMS

- 1. Complete inlet and outlet connections.
- 2. Compressor.
- 3. Foundation.
- 4. Gauges and instruments.
- 5. Regulating apparatus.

4. Transmission Plant

365.1 Land and land rights. This account shall include the cost of land and land rights except rights-ofway used in connection with transmission operations. (See gas plant instruction

365.2 Rights-of-way.

This account shall include the cost of rights-of-way used in connection with transmission operations. (See gas plant instruction 6.)

366. Structures and improvements.

- A. This account shall include the cost in place of structures and improvements used in connection with transmission operations. (See gas plant instruction 7.)
- B. This account shall be subdivided as follows:
- 366 1 Compressor Station Structures.
- Measuring and Regulating Station 366.2 Structures.
- 366.3 Other Structures.

367 Mains.

- A. This account shall include the cost installed of transmission system mains.
- B. The records supporting this account shall be so kept as to show separately the cost of mains of different sizes and types and of each tunnel, bridge, or river crossing.

- 1. Anti-freeze lubricating equipment.
- 2. Automatic valve operating mechanisms, including pressure tanks, etc.
- By-pass assembly.
 Caissons, tunnels, trestles, etc., for submarine mains.
 - 5. Cathodic protection equipment.
 - 6. Drip lines and pots.
- 7. Excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material.
 - 8. Foundations.
- 9. Gas cleaners, scrubbers, etc. when not part of compressor station or measuring and regulating equipment.
- 10. Leak clamps. (See gas plant instruction 9-C (1).)
 - 11. Linewalkers' bridges.
 - 12. Manholes.
 - 13. Municipal inspection.
- 14. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
 - 15. Permits.
 - 16. Pipe coating.
 - 17. Pipe and fittings.
 - 18. Pipe laying.
 - 19. Pipe supports.
 - 20. Protection of street openings.
- 21. River, highway, and railroad crossings, including revetments, pipe anchors, etc.
- 22. Valves.
- 23. Welding.

368 Compressor station equipment.

This account shall include the cost installed of compressor station equipment and associated appliances used in connection with transmission operations.

- 1. Boiler plant, coal handling and ash handling equipment for steam powered compressor station.
 - 2. Compressed air system equipment.
- 3. Compressor equipment and driving units, including auxiliaries, foundations, guard rails and enclosures, etc.
- 4. Electric system equipment, including generating equipment and driving units, power wiring, transformers, regulators, battery equipment, switchboard, etc.
 - 5. Fire fighting equipment.
- 6. Gas lines and equipment, including fuel supply lines, cooling tower and pond and

associated equipment, dehydrators, fuel gas mixers, special pipe bends and connections, and associated scrubbers, separators, tanks, gauges and instruments.

7. Laboratory and testing equipment.

- 8. Lubricating oil system including centrifuge, filter, tanks, purifier, and lubricating oil piping, etc.
- 9. Office furniture and fixtures and general equipment such as steel lockers, firstaid equipment, gasoline dispensing equipment, lawn mowers, incinerators, etc. 10. Shop tools and equipment.
- 11. Water supply and circulation system, including water well, tank, water piping, cooling tower, spray fence, and water treatment equipment, etc., but not including water system equipment solely for domestic and general use.

Measuring and regulating station equipment.

This account shall include the cost installed of meters, gauges, and other equipment used in measuring or regulating gas in connection with transmission system operations.

ITEMS

- 1. Automatic control equipment.
- 2. Boilers, heaters, etc.
- 3. Foundations, pits, etc.
- 4. Gas cleaners, scrubbers, separators, dehydrators, etc.
- 5. Gauges and instruments, including piping, fittings, wiring, etc., and panel boards.
 - 6. Headers.
- 7. Meters, orifice or positive, including piping and connections.
 - 8. Oil fogging equipment.
- 9. Odorizing equipment.
- 10. Regulators or governors, including controls and instruments.
- 11. Structures of a minor nature or portable type.

NOTE: Pipe line companies shall include in the transmission functional classification city gate and main line industrial measuring and regulating stations, except that where pipe line companies measure deliveries of gas at entry points to their own dis-tribution systems, they shall have the option, if consistently observed, of including such stations either in the transmission or distribution function for the purposes of this system of accounts.

370 Communication equipment.

This account shall include the cost installed of radio, telephone, microwave, and other equipment used wholly or predominantly in connection with the operation and maintenance of the gas transmission system. (See also account 397, Communication Equipment.)

- 1. Carrier terminal equipment including repeaters, power supply equipment, transmitting and receiving sets.

 2. Microwave equipment, including power
- supply equipment, transmitters, amplifiers, paraboloids, towers, reflectors, receiving equipment, etc.
- 3. Radio equipment, fixed and mobile, including antenna, power equipment, transmitters and receivers, and portable receivertransmitter units.
- 4. Telephone equipment including switchboards, power and testing equipment, conductors, pole lines, etc.

Other equipment.

This account shall include the cost installed of equipment used in transmission system operations, when not assignable to any of the foregoing accounts.

5. DISTRIBUTION PLANT

374 Land and land rights.

This account shall include the cost of land and land rights used in connection with distribution operations. (See gas plant instruction 6.)

375 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with distribution operations. (See gas plant instruction 7.)

- A. This account shall include the cost installed of distribution system mains.
- B. The records supporting this account shall be so kept as to show separately the cost of mains of different sizes and types and of each tunnel, bridge, or river crossing.

- 1. Calssons, tunnels, trestles, etc. for submarine mains.
- 2. Clamps, leak (bell and spigot) when installed at time of construction; when clamps are installed subsequent to construction, the accounting shall be in accordance with gas plant instruction 9, paragraph (C) 1.
 - 3. Drip lines and pots.
- 4. Electrolysis tests, in connection with new construction.
- 5. Excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material.
- 6. Hauling, unloading, and stringing pipe.
- 7. Lamping and watching new construction.
- 8. Municipal inspection.
- 9. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
 - 10. Permits.
 - 11. Pipe coating.
 - 12. Pipe and fittings.
 - 13. Pipe laying.
 - 14. Pipe supports.
 - Protection of street openings.
- 16. Relocating city storm and sanitary sewers, catch basins, etc., or protecting same in connection with new construction.
- 17. Replacement of municipal drains and culverts in connection with new construction.
 - 18. Roadway boxes.
- 19. Shifting excavated material due to traffic conditions in connection with new construction.
 - 20. Sleeves and couplings.
- 21. Special crossovers, bridges and foundations for special construction.
 - 22. Surveying and staking lines.
- 23. Valves where not installed in pits including manholes or pits not associated with pumping or regulating equipment.
 - 24. Welding.
 - 25. Wood blocking.

377 Compressor station equipment.

This account shall include the cost installed of compressor station equipment and associated appliances used in connection with distribution system operations.

ITEMS

- 1. Boiler plant, coal handling and ash handling equipment for steam compressor station.
 - 2. Compressed air system equipment.
- 3. Compressor equipment and driving units, including auxiliaries, foundations, guard rails and enclosures, etc.
- 4. Electric system equipment, including generating equipment and driving units,

power wiring, transformers, regulators, battery equipment, switchboard, etc.

5. Fire fighting equipment.

6. Gas lines and equipment, including fuel supply lines, cooling tower and pond and associated equipment, dehydrators, fuel gas mixers, special pipe bends and connections. tions, and associated scrubbers, separators, tanks, gauges and instruments.

7. Laboratory and testing equipment. 8. Lubricating oil system, including centrifuge, filter, tanks, purifier, and lubricating

- oil piping, etc.
 9. Office furniture and fixtures and general equipment such as steel lockers, firstaid equipment, gasoline dispensing equipment, lawn mowers, incinerators, etc.
 - 10. Shop tools and equipment.
- 11. Water supply and circulation system, including water well, tank, water piping, cooling tower, spray fence, and water treatment equipment, etc., but not including water system equipment solely for domestic and general use.

378 Measuring and regulating station equipment—general.

This account shall include the cost installed of meters, gauges, and other equipment used in measuring and regulating gas in connection with distribution system operations other than the measurements of gas deliveries to customers.

ITEMS

- 1. Automatic control equipment.
- 2. Boilers, heaters, etc.
- 3. Foundations, pits, etc
- 4. Gas Cleaners, scrubbers, separators, dehydrators, etc.
- 5. Gauges and instruments, including piping, fittings, wiring, etc., and panel boards.
- 6. Headers.
- 7. Meters, orifice, or positive, including piping and connections.
 - 8. Oil fogging equipment.
 9. Odorizing equipment.
- 10. Regulators or governors, including controls and instruments.
- 11. Structures of a minor nature or portable type.

Note: By-passes outside governor pits are includible in account 376, Mains.

Measuring and regulating station equipment—city gate check stations.

This account shall include the cost installed of meters, gauges, and other equipment used in measuring and regulating the receipt of gas at entry points to distribution systems.

NOTE: Pipe line companies shall include in the transmission functional classification city gate and main line industrial measuring and regulating stations, except that where pipe line companies measure deliveries of gas at entry points to their own distribution systems, they shall have the option, if consistently observed, of including such stations either in the transmission or distribution function for the purposes of this system of

ITEMS

(See account 378 for items.)

380 Services.

- A. This account shall include the cost installed of service pipes and accessories leading to the customers' premises.
- B. A complete service begins with the connection on the main and extends to but does not include the connection with the customer's meter. A stub service extends from the main to the property line, or the curb stop.

C. Services which have been used but have become inactive shall be retired from utility plant in service immediately if there is no prospect for reuse, and, in any event, shall be retired by the end of the second year following that during which the service became inactive unless reused in the interim.

- 1. Curb valves and curb boxes.
- 2. Excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material.
- 3. Landscaping, including lawns, shrubbery, shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material.
 - 4. Municipal inspection.
- 5. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
 - 6. Permits.
- 7. Pipe and fittings, including saddle, T, or other fitting on street main.
 - 8. Pipe coating.

 - Pipe laying.
 Protection of street openings.
- 11. Service drips.
- 12. Service valves, at head of service, when installed or furnished by the utility.

Note: When a customer pays all or a part of the cost of the service and such cost is properly includible in this account, the amount borne or contributed by the customer shall be credited to account 271, Contributions in Aid of Construction.

381 Meters.

- A. This account shall include the cost installed of meters or devices and appurtenances thereto, for use in measuring gas delivered to users, whether actually in service or held in reserve.
- B. When a meter is permanently retired from service, the installed cost included herein shall be credited to this account.
- C. The records of meters shall be so kept that the utility can furnish information as to the number of meters of each type and capacity in service and in reserve as well as the location of each meter.

TTEMS

- 1. Meters, including badging and initial
- Meter installations:
- Cocks.
 Labor.
- 4. Locks.
- 5. Meter bars.
- 6. Pipe and fittings.
- 7. Seals.
- 8. Shelves.
- 9. Swivels and bushings.
- 10. Transportation.

Note A: At the option of the utility, costs of meter installations may be accounted for separately from the cost of meters in accordance with the provisions of account 382, Meter Installations. The practice of the utility, however, shall be consistent from year to year and throughout the utility's system.

NOTE B: The cost of removing and resetting meters shall be charged to account 763, Meter and House Regulator Expenses.

382 Meter installations.

A. This account shall include the cost of labor and materials used, and expenses incurred in connection with the original installation of customer meters.

B. When a meter installation is permanently retired from service, the cost thereof shall be credited to this account.

- 1. Cocks.
- 2. Locks. 3. Labor.
- 4. Meter bars.
- 5. Pipe and fittings.
- 6 Seals.
- 7. Shelves.
- 8. Swivels and bushings.
- 9. Transportation.

NOTE: At the option of the utility, meter installations may be accounted for as part of the cost installed of meters, in accordance with the provisions of account 381, Meters. The practice of the utility, however, shall be consistent from year to year and throughout the utility's system.

House regulators.

- A. This account shall include the cost installed of house regulators when actually in service or held in reserve.
- B. When a house regulator is permanently retired from service, the installed cost thereof shall be credited to this account.

ITEMS

- 1. House regulator. House regulator installations:
- 2. Cocks.
- 3. Labor.
- 4. Locks.
- 5. Pipe and fittings.
- 6. Regulator vents.
- 7. Swivels and bushings.
- 8. Transportation.

NOTE: At the option of the utility, costs of house regulator installations may be accounted for separately from the cost of house regulators in accordance with the provisions of account 384, House Regulator Installations. The practice of the utility, however, shall be consistent from year to year and throughout the utility's system.

384 House regulator installations.

- A. This account shall include the cost of labor and materials used and expenses incurred in connection with the original installation of house regulators.
- B. When a house regulator installation is permanently retired from service, the cost thereof shall be credited to this account.

ITEMS

- 1. Cocks.
- Labor.
- 3. Locks.
- Pipe and fittings. 4. 5. Regulator vents.
- 6. Swivels and bushings.
- 7. Transportation.

Note: At the option of the utility, house regulator installations may be accounted for as part of the cost installed of house regulators in accordance with the provisions of account 383, House Regulators. The practice, however, shall be consistent from year to year and throughout the utility's system.

Industrial measuring and regulating station equipment.

This account shall include the cost of special and expensive installations of measuring and regulating station equipment, located on the distribution system. serving large industrial customers.

ITEMS

(See account 378 for items.)

NOTE A: Do not include in this account measuring and regulating station equipment serving main line industrial customers. (See

account 369.)

NOTE B: By-passes outside of governor pits are includible in account 376, Mains.

386 Other property on customers'

This account shall include the cost, including first setting and connecting, of equipment owned by the utility installed on customer premises which is not includible in other accounts.

387 Other equipment.

This account shall include the cost installed of all other distribution system equipment not provided for in the foregoing accounts, including street lighting equipment.

ITEMS

- 1. Carbon monoxide tester and indicator.
- 2. Explosimeters.
- 3. Fire extinguisher.
- Gas masks.
- Lockers.
- 6. Portable pump.
- 7. Recording gauges. 8. Street lighting equipment.
- 9. Test meters.
- 10. Watchmen's clocks.

6. GENERAL PLANT

389 Land and land rights.

This account shall include the cost of land and land rights used for utility purposes, the cost of which is not properly includible in other land and land rights accounts. (See gas plant instruction 6.)

390 Structures and improvements.

This account shall include the cost in place of structures and improvements used for utility purposes, the cost of which is not properly includible in other structures and improvements accounts. (See gas plant instruction 7.)

Office furniture and equipment.

This account shall include the cost of office furniture and equipment owned by the utility and devoted to utility service, and not permanently attached to buildings, except the cost of such furniture and equipment which the utility elects to assign to other plant accounts on a functional basis.

ITEMS

- 1. Book cases and shelves.
- 2. Desks, chairs, and desk equipment.
- 3. Drafting-room equipment.
- 4. Filing, storage, and other cabinets.5. Floor covering.6. Library and library equipment.
- 7. Mechanical office equipment such as ac-
- counting machines, typewriters, etc.
- 8. Safes. 9. Tables.

392 Transportation equipment.

This account shall include the cost of transportation vehicles used for utility purposes.

ITEMS '

- 1. Airplanes.
- 2. Automobiles. Bicycles.
- Electrical vehicles.
- 5. Motor trucks. 6. Motorcycles.
- 7. Repair cars or trucks.
- Tractors and trailers.
- 9. Other transportation vehicles.

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393 Stores equipment.

This account shall include the cost of equipment used for the receiving, shipping, handling and storage of materials and supplies.

ITEMS

- 1. Chain falls.
- 2. Counters.
- 3. Cranes (portable)..
- 4. Elevating and stacking equipment (portable).
- 5. Hoists.
- 6. Lockers.
- 7. Scales.
- 8. Shelving.
- 9. Storage bins.
- 10. Trucks, hand and power driven.
- 11. Wheelbarrows.

394 Tools, shop, and garage equipment.

This account shall include the cost of tools, implements, and equipment used in construction, repair work, general shops and garages and not specifically provided for or includible in other accounts.

- · 1. Air compressors.
 - 2. Anvils.
- 3. Automobile repair shop equipment.
- Battery charging equipment.
 Belts, shafts and countershafts.
- 6. Boilers.
- Cable pulling equipment.
- 8. Concrete mixers.
- 9. Derricks. 10. Drill presses.
- 11. Electric equipment.
- 12. Engines.
- 13. Forges.
- 14. Foundations and settings specially constructed for equipment in this account and not expected to outlast the equipment for which provided.
- 15. Furnaces. 16. Gas producers. 17. Gasoline pumps, oil pumps, and storage tanks.
 - 18. Greasing tools and equipment.
 - 19. Hoists.
- 20. Ladders. . 21. Lathes.
- 22. Machine tools. 23. Motor driven tools.
- 24. Motors.
- 25. Pipe threading and cutting tools.
- 26. Pneumatic tools.
- 27. Pumps.
- 28. Riveters.
- 29. Smithing equipment.
- 30. Tool racks.
- 31. Vises.
- 32. Welding apparatus.
- 33. Work benches.

395 Laboratory equipment.

This account shall include the cost installed of laboratory equipment used for general laboratory purposes and not specially provided for or includible in other departmental or functional plant accounts.

- 1. Balances and scales.
- 2. Barometers.
- 3. Calorimeters—bomb, flow. recording types, etc.
 4. Electric furnaces.
- 5. Gas burning equipment.
- Gauges. Glassware, beakers, burettes, etc.
- 8. Humidity testing apparatus.
- 9. Laboratory hoods.
- 10. Laboratory tables and cabinets.
- 12. Oil analysis apparatus.

- 13. Piping. 14. Specific gravity apparatus.
- 15. Standard bottles for meter prover testing.
 - 16. Stills.
 - 17. Sulphur and ammonia apparatus.
- 18. Tar analysis apparatus.
- 19. Thermometers-indicating and recording.
- 20. Any other item of equipment for testing gas, fuel, flue gas, water, residuals, etc.

396 Power operated equipment.

This account shall include the cost of power operated equipment used in construction or repair work exclusive of equipment includible in other accounts; it shall include, also, the tools and accessories acquired for use with such equipment and the vehicle on which such equipment is mounted.

ITEMS

- 1. Air compressors, including driving unit and vehicle.
 - 2. Back filling machines.
 - 3. Boring machine.

 - Bulldozers.
 Cranes and hoists.
- 6. Diggers.
- 7. Engines.
- 8. Pile drivers.
- 9. Pipe cleaning machine.
- 10. Pipe coating or wrapping machines.
- 11. Tractors-crawler type.
- 12. Trenchers.
- 13. Other power operated equipment.

NOTE: It is intended that this account include only such large units as are generally self-propelled or mounted on movable equip-

Communication equipment.

This account shall include the cost installed of telephone, telegraph and wireless equipment for general use in connection with the utility's gas operations. (See account 370 for communication equipment used wholly or pre-dominantly in connection with operation and maintenance of the transmission · system.)

ITEMS

- 1. Carrier terminal equipment including repeaters, power supply equipment, trans-mitting and receiving sets.
- 2. Microwave equipment, including power supply equipment, transmitters, amplifiers, paraboloids, towers, reflectors, receiving equipment, etc.
- 3. Radio equipment, fixed and mobile, including antenna, power equipment, transmitters and receivers, and portable receiver-
- transmitter units. 4. Telephone equipment including switch-boards, power and testing equipment, conductors, pole lines, etc.

398 Miscellaneous equipment.

This account shall include the cost of equipment, apparatus, etc., used and useful in gas operations, which is not includible in any other account.

- 1. Hospital and infirmary equipment. 2. Kitchen equipment.
- 3. Operator's cottage furnishings.
- 4. Radios.
- 5. Recreation equipment. 6. Restaurant equipment.
- Soda fountains. 8. Other miscellaneous equipment.

Note: Miscellaneous equipment of the nature indicated above wherever practicable 400

shall be assigned to the utility plant accounts on a functional basis.

Other tangible property.

This account shall include the cost of tangible utility plant not provided for elsewhere.

Income Accounts

1. UTILITY OPERATING INCOME

- Operating revenues. Operating expenses: Operation expense. 401
- 402 Maintenance expense.
- Depreciation and depletion expense. Amortization of limited-term gas 403 404 plant.
- 405 Amortization of other gas plant. Amortization of gas plant acquisition adjustments.
- 407.1 · Amortization of property losses. 407.2
- Amortization of conversion expenses. Taxes other than income taxes. 408
- 409 Income taxes. 410 Provision for deferred income taxes.
- 411 Income taxes deferred in prior yearscredit.

TOTAL OPERATING EXPENSES

- Operating income. 412, 413 Income from gas plant leased to
- others.
 Other utility operating income. 414 Total operating income.

2. OTHER INCOME

- 415, 416 Income from merchandising, jobbing, and contract work.
- Income from nonutility operations.
 Nonoperating rental income. 417
- 418
- Interest and dividend income. Miscellaneous nonoperating income. 421
- Total other income. Total income.

3. MISCELLANEOUS INCOME DEDUCTIONS

425 Miscellaneous amortization. 426 Other income deductions. Total income deductions. Income before interest charges.

4. INTEREST CHARGES

- 427 Interest on long-term debt. Amortization of debt discount and 428 expense.
- 429 Amortization of premium on debt-Cr. 430 Interest on debt to associated companies.
- Other interest expense. 431
- 432 Interest charged to construction-Cr. Total interest charges. Net income.

5. EARNED SURPLUS

- 216 Unappropriated earned surplus (at beginning of period). 433
- Balance transferred from income. 434 Miscellaneous credits to surplus.
- Miscellaneous debits to surplus. 435
- 436 Appropriations of surplus.
- Net addition to earned surplus.
- Dividends declared—Preferred stock.
 Dividends declared—Common stock. 437 438
- Unappropriated earned surplus (at end of period).

Income Accounts

1. UTILITY OPERATING INCOME

400 Operating revenues.

There shall be shown under this caption the total amount included in the gas operating revenue accounts provided herein.

401 Operation expense.

There shall be shown under this caption the total amount included in the herein.

402 Maintenance expense.

There shall be shown under this caption the total amount included in the gas maintenance expense accounts provided herein.

403 Depreciation and depletion expense.

- A. This account shall include the amount of depreciation expense for all classes of depreciable gas plant in service except such depreciation expense as is chargeable to clearing accounts or to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work. It shall also include depletion and amortization expense with respect to producing natural gas lands and land rights.
- B. The utility shall keep such records of property and property retirements as will reflect the service life of property which has been retired, and also such records as will reflect the percentage of salvage and cost of removal for property retired.
- C. The charges to this account for. amortization and depletion of producing natural gas land and land rights shall be made in such manner as to distribute the cost of producing natural gas land and land rights over the period of their benefit to the utility, based upon the exhaustion of the natural gas deposits recoverable from such land and land

NOTE A: Depreciation expense applicable to property included in account 104, Gas Plant Leased to Others, shall be charged to account 413, Expenses of Gas Plant Leased to Others.

NOTE B: Depreciation expense applicable to transportation equipment, shop equipment, tools, work equipment, power operated equipment, and other general equipment may be charged to clearing accounts as necessary, in order to obtain a proper distribution of expenses between construction and operation.

404 Amortization of limited-term gas plant.

This account shall include amortization charges applicable to amounts included in the gas plant accounts for limited-term franchises, licenses, patent rights, limited-term interests in land other than land rights held for the pro-- duction of natural gas, and expenditures on leased property where the service life of the improvements is terminable by action of the lease. The charges to this account shall be such as to distribute the book cost of each investment as evenly as may be over the period of its benefit to the utility. (See account 110, Accumulated Provision for Depreciation, Depletion and Amortization of Gas Plant.)

405 Amortization of other gas plant.

A. When authorized by the Commission, this account shall include charges for amortization of intangible or other gas plant in service which does not have a definite or terminable life and which is not subject to charges for depreciation expense.

B. This account shall be supported in such detail as to show the amortization

gas operation expense accounts provided applicable to each investment being amortized, together with the book cost of the investment and the period over which it is being written off.

406 Amortization of gas plant acquisition adjustments.

This account shall be debited or credited, as the case may be, with amounts includible in operating expenses, pursuant to approval or order of the Commission, for the purpose of providing for the extinguishment of the amount in account 114, Gas Plant Acquisition Adjustments.

407.1 Amortization of property losses.

This account shall be charged with amounts credited to account 182, Extraordinary Property Losses, when the Commission has authorized the amount in the latter account to be amortized by charges to gas operating expenses.

407.2 Amortization of conversion expenses.

This account shall be charged with amortization of amounts authorized by the Commission to be included in account 183, Other Deferred Debits, for expenses incurred in the conversion of distribution plant from manufactured gas service to natural gas service.

408 Taxes other than income taxes.

A. This account shall include the amount of ad valorem, gross revenue or gross receipts taxes, state unemployment insurance, franchise taxes, federal excise taxes, social security taxes, and all other taxes assessed by federal, state. county, municipal, or other local governmental authorities, which are properly chargeable to gas operations, except income taxes.

B. This account shall be charged with the amount of taxes which is applicable thereto, with concurrent credits to account 236, Taxes Accrued, or account 165, Prepayments, as appropriate. When it is not possible to determine the exact amount of taxes, the amount shall be estimated and adjustments made in current accruals as the actual tax levies become known.

C. The charges to this account shall be made or supported so as to show the amount of each tax and the basis upon which each charge is made. In the case of a utility rendering more than one utility service, taxes of the kind includible in this account shall be assigned directly to the utility department the operation of which gave rise to the tax in so far as practicable. Where the tax is not attributable to a specific utility department, it shall be distributed among the utility departments or nonutility operations on an equitable basis.

NOTE A: Taxes applicable to nonutility property or investments including taxes on net income derived therefrom shall be charged to the account in which the income from the property or investments is included.

Note B: Special assessments for street and similar improvements shall be included in the appropriate utility plant or nonutility property account.

NOTE C: Taxes specifically applicable to construction shall be included in the cost of construction.

NOTE D: Taxes assumed by the utility on property leased from others for use in utility operations shall be charged to the appropri-

ate rent expense or clearing account.

Note E: Gasoline and other sales taxes shall be charged as far as practicable to the same account as the materials on which the tax is levied.

Note F: Social Security and other forms of so-called pay roll taxes shall be distributed to utility departments and to nonutility functions on a basis related to pay roll. Amounts applicable to construction shall be charged to the appropriate plant account.

Income taxes.

A. This account shall include the amount of state and federal taxes on income properly accruable during the period covered by the income statement to meet the actual liability for such taxes. Concurrent credits for the tax accruals shall be made to account 236, Taxes Accrued, and as the exact amount of taxes becomes known, the current tax accruals shall be adjusted accordingly so that this account, as nearly as can be ascertained, shall include the actual taxes payable which are chargeable to utility operations.

B. The accruals for income taxes shall be apportioned among utility departments and nonutility operations so that, as nearly as practicable, each tax shall be included in the expenses of the utility department or nonutility operation the income from which gave rise to the tax.

Note A: Taxes assumed by the utility on interest shall be charged to account 431, Other Interest Expense.

NOTE B: Income taxes on income from gas plant leased to others shall be charged to account 413, Expenses of Gas Plant Leased to Others.

Note C: Where statutes or regulatory

practices require that the profits or losses of merchandising, jobbing and contract work shall not be considered in arriving at rates to be charged for utility service, income taxes on income from merchandising, jobbing and contract work shall be charged to account 416, Costs and Expenses of Merchandising,

Jobbing and Contract Work.

Nore D: Income taxes on nonutility income shall be charged to the account in which the income is included. If the amount of nonutility income is relatively small, the allocation of income taxes thereto may be made annually.

Note E: Interest on tax refunds or deficiencies shall not be included in this account but in account 419, Interest and Dividend Income, or account 431, Other Interest Expense, as appropriate.

Provision for deferred income

This account shall be debited, and Accumulated Deferred Income Taxes shall be credited with an amount equal to any deferral of taxes on income as provided by the texts of accounts 281, 282, and 283. There shall not be netted against entries required to be made to this account any credit amounts appropriately includible in account 411. Income Taxes Deferred in Prior Years—Credit.

Income taxes deferred in prior years—Credit.

This account shall be credited and Accumulated Deferred Income Taxes debited with an amount equal to the portion of taxes on income payable for the year that is attributable to a deferral of taxes on income in a prior year, in accordance with the plan of deferred tax accounting provided by the texts of accounts 281, 282, and 283. There shall not be netted against entries required to be made to this account any debit amounts appropriately includible in account 410. Provision for Deferred Income Taxes.

412 Revenues from gas plant leased to

413 Expenses of gas plant leased to others.

A. These accounts shall include, respectively, revenues from gas property constituting a distinct operating unit or system leased by the utility to others, and which property is properly in-cludible in account 104, Gas Plant Leased to Others, and the expenses attributable to such property.

B. The detail of expenses shall be kept or supported so as to show separately the following:

Operation. Maintenance. Rents. Depreciation and Depletion. Amortization.
Taxes Other Than Income Taxes. Income Taxes.

Other utility operating income.

A. This account shall include the revenues received and expenses incurred in connection with the operations of utility plant, the book cost of which is included in account 118. Other Utility Plant.

B. The expenses shall include every element of cost incurred in such operations, including depreciation, rents, taxes, and insurance.

2. OTHER INCOME

415 Revenues from merchandising, jobbing and contract work.

Costs and expenses of merchandising, jobbing and contract work.

A. These accounts shall include, respectively, all revenues derived from the sale of merchandise and jobbing or contract work, including any profit or commission accruing to the utility on jobbing work performed by it as agent under contracts whereby it does jobbing work for another for a stipulated profit or commission, and all expenses incurred in such activities.

B. Records in support of these accounts shall be so kept as to permit ready summarization of revenues, costs and expenses by such major items as are feasible.

Note: Revenues and expenses of merchandising, jobbing and contract work shall be reported in these accounts, if a state regulatory body having jurisdiction over the utility requires the net income to be reported as other income; but the amount shall be reported in accounts 914, Revenues from Merchandising, Jobbing and Contract Work, and 915, Costs and Expenses of Merchandising, Jobbing and Contract Work, if such regulatory body requires the net income to be reported as an operating income or expense item. In the absence of a requirement by a state regulatory body, the utility may use these accounts or accounts 914 and 915 at its option, in which case the practice of the utility must be consistent.

Account 415:

1. Revenues from sale of merchandise and from jobbing and contract work.

2. Discounts and, allowances

settlement of bills for merchandise and jobbing work.

Account 416:

Labor-

- 1. Canvassing and demonstrating appliances in homes and other places for the purpose of selling appliances.
- 2. Demonstrating and selling activities in sales rooms.
- 3. Installing appliances on customer premises where such work is done only for purchasers of appliances from the utility.
- 4. Installing piping, or other property work, on a jobbing or contract basis.
 5. Preparing advertising materials for ap-
- pliance sales purposes.
- 6. Receiving and handling customer orders for merchandise or for jobbing services.
 7. Cleaning and tidying sales rooms.
 8. Maintaining displays and equipment
- used in merchandising.
- 9. Arranging merchandise in sales rooms and decorating display windows.
- Reconditioning repossessed appliances.
 Bookkeeping and other clerical work in connection with merchandise and jobbing
- activities. 12. Supervising merchandise and jobbing

operations.

Materials and Expenses—

- 13. Advertising in newspapers, periodicals, radio, television, etc.
- 14. Cost of merchandise sold and of ma-
- terials used in jobbing work. 15. Stores expenses on merchandise and
- jobbing stocks. 16. Fees and expenses of advertising and
- commercial artists' agencies. 17. Printing booklets, dodgers, and other
- advertising data. 18. Premiums given as inducement to buy
- appliances.
 - 19. Light, heat, and power.
- 20. Depreciation on equipment used primarily for merchandise and jobbing operations.
 - 21. Rent of sales rooms or of equipment.
- 22. Transportation expense in delivery and pick-up of appliances by utility's facilities or by others.
- 23. Stationery and office supplies and ex-
- 24. Taxes directly assignable to merchandise and jobbing operations including income taxes on net income derived therefrom.

 25. Losses from uncollectible merchan-
- dise and jobbing accounts.

417 Income from nonutility operations.

- A. This account shall include revenues and expenses applicable to operations which are nonutility in character but nevertheless constitute a distinct operating activity of the enterprise as a whole, such as the operation of an ice department where applicable statutes do not define such operation as a utility, or the operation of a servicing organization for furnishing supervision, management, engineering, and similar services to
- B. The expenses shall include all elements of costs incurred in such operations, and the accounts shall be maintained so as to permit ready summarization as follows:

Operation. Maintenance. Rents. Depreciation. Amortization.

Taxes other than income taxes.

Income taxes.

418 Nonoperating rental income.

A. This account shall include all rent revenues and related expenses of land, buildings, or other property included in account 121, Nonutility Property, which is not used in operations covered by account 417.

B. The expenses shall include all elements of costs incurred in the ownership and rental of the property and the accounts shall be maintained so as to permit ready summarization as follows:

Operation.
Maintenance.
Rents.
Depreciation.
Amortization.
Taxes other than income taxes.
Income taxes.

419 Interest and dividend income.

A. This account shall include interest revenues on securities, loans, notes, advances, special deposits, tax refunds and all other interest-bearing assets, and dividends on stocks of other companies, whether the securities on which the interest and dividends are received are carried as investments or included in sinking or other special fund accounts.

B. If any interest or dividends are required to be retained in a special fund and the fund is represented by a reserve, the amount of such accretion to the fund shall concurrently be credited to the appropriate reserve account and charged to account 436, Appropriations of Surplus.

C. This account may include the pro rata amount necessary to extinguish (during the interval between the date of acquisition and the date of maturity) the difference between the cost to the utility and the face value of interest-bearing securities. Amounts thus credited or charged shall be concurrently included in the accounts in which the securities are carried.

D. Where significant in amount, expenses, including operating taxes and income taxes, applicable to security investments and to interest and dividend revenues thereon, shall be charged hereto.

Note: Interest accrued, the payment of which is not reasonably assured, dividends receivable which have not been declared or guaranteed, and interest or dividends upon reacquired securities issued or assumed by the utility shall not be credited to this account.

421 Miscellaneous nonoperating income.

This account shall include all revenue and expense items properly includible in the income account and not provided for elsewhere.

ITEMS

1. Profit on sale of timber. (See gas plant instruction 6, C.)

2. Profits from operations of others realized by the utility under contracts.

3. MISCELLANEOUS INCOME DEDUCTIONS

425 Miscellaneous amortization.

This account shall include amortization charges not includible in other accounts which are properly deductible in determining the income of the utility before interest charges. Charges includible herein, if significant in amount,

must be in accordance with an orderly and systematic amortization program. Similar charges made irregularly without a definite program, or which are dependent upon the amount of net income shall be charged to account 435, Miscellaneous Debits to Surplus.

ITEMS

1. Amortization of utility plant acquisition adjustments, or of intangibles included in utility plant in service when not authorized to be included in utility operating expenses by the Commission.

2. Amortization of amounts in account 182, Extraordinary Property Losses, when not authorized to be included in utility operating expenses by the Commission.

3. Amortization of capital stock discount or expenses when in accordance with a systematic amortization program.

426 Other income deductions.

This account shall include miscellaneous expense items which are nonoperating in nature but which are properly deductible before determining total income before interest charges.

Trems

1. Donations for charitable, social or community welfare purposes.

2. Life insurance of officers and employees where utility is beneficiary (net premiums less increase in cash surrender value of policies).

3. Penalties or fines for violation of statutes pertaining to regulation.

Note: The classification of expenses as nonoperating and their inclusion in this account is for accounting purposes. It does not preclude Commission consideration of proof to the contrary for ratemaking or other purposes.

4. INTEREST CHARGES

427 Interest on long-term debt.

A. This account shall include the amount of interest on outstanding long-term debt issued or assumed by the utility, the liability for which is included in account 221, Bonds, or account 224, Other Long-Term Debt.

B. This account shall be so kept or supported as to show the interest accruals on each class and series of longterm debt.

Note: This account shall not include interest on nominally issued or nominally outstanding long-term debt, including securities assumed.

428 Amortization of debt discount and expense.

A. This account shall include the amortization of unamortized debt discount and expense on outstanding long-term debt. Amounts charged to this account shall be credited concurrently to account 181, Unamortized Debt Discount and Expense.

B. This account shall be so kept or supported as to show the debt discount and expense on each class and series of long-term debt.

429 Amortization of premium on debt—Cr.

A. This account shall include the amortization of unamortized net premium on outstanding long-term debt. Amounts credited to this account shall be charged concurrently to account 251, Unamortized Premium on Debt.

B. This account shall be so kept or supported as to show the premium on each class and series of long-term debt.

430 Interest on debt to associated com-

A. This account shall include the interest accrued on amounts included in account 223, Advances from Associated Companies, and on all other obligations to associated companies.

B. The records supporting the entries to this account shall be so kept as to show to whom the interest is to be paid, the period covered by the accrual, the rate of interest and the principal amount of the advances or other obligations on which the interest is accrued.

431 Other interest expense.

This account shall include all interest charges not provided for elsewhere.

TTEMS

- 1. Interest on notes payable on demand or maturing a year or less from the date and on open accounts, except notes and accounts with associated companies.
 - 2. Interest on customers' deposits.
- 3. Interest on claims and judgments, tax assessments, assessments for public improvements past due.

4. Income and other taxes levied upon bondholders of utility and assumed by it.

432 Interest charged to construction— Cr.

This account shall include concurrent credits for interest charged to construction based upon the net cost for the period of construction of borrowed funds used for construction purposes and a reasonable rate upon other funds when so used. No interest shall be capitalized on plant which is completed and ready for service.

5. EARNED SURPLUS

433 Balance transferred from income.

This account shall include the net credit or debit transferred from income for the year.

434 Miscellaneous credits to surplus.

This account shall include credits affecting earned surplus not provided for elsewhere. If an amount otherwise required by the uniform system of accounts to be credited to this account is not significant with respect to net income determination for the year, it may be credited to the appropriate nonoperating income account. All items included in this account shall be sufficiently described in the entries relating thereto as to permit ready analysis.

ITEMS

1. Delayed credits.

2. Profit on reacquisition and resale or retirement of utility's debt securities.

3. Profit on sale of property or investments.

435 Miscellaneous debits to surplus.

This account shall include amounts chargeable to earned surplus but not provided for elsewhere. If an amount otherwise required by the uniform system of accounts to be charged to this account is not significant with respect to net income determination for the year, it may be charged to the appropriate non-operating income deduction account. All

items included in this account shall be sufficiently described in the entries relating thereto as to permit ready analysis.

ITEMS

- 1. Decline in value of investments.
- 2. Delayed debits.
- Loss on reacquisition and resale or retirement of utility's debt securities.
- 4. Provision for past accrued depreciation not provided for.
- 5. Long-term debt discount or expense written off.
- 6. Loss on sale of property or investments.7. Write-off of utility plant acquisition ad-
- Write-off of utility plant acquisition adjustments or of intangibles when not done under an orderly systematic program indicating the propriety of inclusion of the annual charges in account 425, Miscellaneous Amortization.
- 8. Preliminary survey and investigation expenses on abandoned projects.
- 9. Income taxes, both state and federal, occasioned by items included in account 434, Miscellaneous Credits to Surplus.
- 10. Charges from retirement or resale of reacquired capital stock.

436 Appropriations of surplus.

This account shall include appropriations of earned surplus for purposes not provided for elsewhere.

ITEMS

- 1. Appropriations of income required under terms of mortgages, orders of courts, contract or other agreements.
- 2. Appropriations of income required by action of regulatory authorities.
- Miscellaneous appropriations of income made at option of utility for specified purposes.

437 Dividends declared—Preferred stock.

- A. This account shall include amounts declared payable out of earned surplus as dividends on actually outstanding preferred or prior lien capital stock issued by the utility.
- B. Dividends shall be segregated for each class and series of preferred stock as to those payable in cash, stock and other forms. If not payable in cash, the medium of payment shall be described with sufficient particularity to identify it.

438 Dividends declared—Common stock.

- A. This account shall include amounts declared payable out of earned surplus as dividends on actually outstanding common capital stock issued by the utility.
- B. Dividends shall be segregated for each class of common stock as to those payable in cash, stock and other forms. If not payable in cash, the medium of payment shall be described with sufficient particularity to identify it.

Operating Revenue Accounts

1. SALES OF GAS

- 480 Residential sales.
- 81 Commercial and industrial sales.
- 483 Sales for resale.
- 484 Interdepartmental sales.

2. OTHER OPERATING REVENUES

- 487 Forfeited discounts.
- 488 Miscellaneous service revenues.
- 489 Revenues from transportation of gas of others.
- 490 Sales of products extracted from natural gas.

- 191 Revenues from natural gas processed by others.
- 492 Incidental gasoline and oil sales.
- 493 Rent from gas property.
- 494 Interdepartmental rents.
- 495 Other gas revenues.

Operating Revenue Accounts

1. SALES OF GAS

480 Residential sales.

- A. This account shall include the net billing for gas supplied for residential or domestic purposes.
- B. Records shall be maintained so that the quantity of gas sold and the revenues received under each rate schedule shall be readily available.

Note: When gas supplied through a single meter is used for both residential and commercial purposes, the total revenue shall be included in this account or account 481, Commercial and Industrial Sales, according to the rate schedule which is applied. If the same rate schedules are applicable to both residential and commercial service, classification shall be according to principal use.

481 Commercial and industrial sales.

- A. This account shall include the net billing for gas supplied to commercial and industrial customers.
- B. Records shall be maintained so that the quantity of gas sold and revenue received under each rate schedule shall be readily available.

Note: When gas supplied through a single meter is used for both commercial and residential purposes, the total revenue shall be included in this account or in account 480, Residential Sales, according to the rate schedule which is applied. If the same rate schedules are applicable to both residential and commercial service, classification shall be according to principal use.

483 Sales for resale.

- A. This account shall include the net billing for gas supplied to other gas utilities or to public authorities for resale purposes.
- B. Records shall be maintained so that there shall be readily available the revenues for each customer under each revenue schedule and the billing determinants, as applicable, i.e., volume of gas (actual and billing), contract demand, maximum actual demand, billing demand, and Btu adjustment factor.

Note: Revenues from gas supplied to other public utilities for use by them and not for distribution, shall be included in Account 481, Commercial and Industrial Sales, unless supplied under the same contract as and not readily separable from revenues includible in this account.

484 Interdepartmental sales.

- A. This account shall include amounts charged by the gas department at tariff or other specified rates for gas supplied by it to other utility departments.
- B. Records shall be maintained so that the quantity of gas supplied each other department and the charge made therefor shall be readily available.

2. OTHER OPERATING REVENUES

487 Forfeited discounts.

This account shall include the amount be maintained even though no of discounts forfeited or additional are derived from the processor.

charges imposed because of the failure of customers to pay gas bills on or before a specified date.

488 Miscellaneous service revenues.

This account shall include revenues from all miscellaneous services and charges billed to customers which are not specifically provided for in other accounts.

ITEMS

- 1. Fees for changing, connecting, or disconnecting service.
- 2. Profit on maintenance of appliances, piping, gas firing and other utilization facilities, or other installations on customers' premises.
- 3. Net credit or debit (cost less net salvage and less payment from customers) on closing work orders for plant installed for temporary service of less than one year.
- 4. Recovery of expenses in connection with gas diversion cases. (Billing for the gas consumed shall be included in the appropriate gas revenue account.)
- 5. Services performed for other gas companies for testing and adjusting meters, changing charts, etc.

489 Revenues from transportation of gas of others.

This account shall include revenues from transporting gas for other companies through the production, transmission, and distribution lines, or compressor stations of the utility.

490 Sales of products extracted from natural gas,

- A. This account shall include revenues from sales of gasoline, butane, propane, and other products extracted from natural gas, net of allowances, adjustments, and discounts, including sales of similar products purchased for resale.
- B. Records shall be maintained so that the quantity, sales price, and revenues for each type of product sold to each purchaser shall be readily available.

491 Revenues from natural gas processed by others.

- A. This account shall include revenues from royalties and permits, or other bases of settlement, for permission granted others to remove products from natural gas of the utility.
- B. The records supporting this account shall be so maintained that full information concerning determination of the revenues will be readily available concerning each processor of gas of the utility, including as applicable (a) the Mcf of gas and approximate average Btu content thereof per cubic foot delivered to such other party for processing, (b) the Mcf of gas and approximate average Btu content thereof per cubic foot of gas received back from the processor, (c) the field, general production area, or other source of the gas processed, (d) Mcf of gas used for processing fuel, etc., which is chargeable to the utility, (e) total gallons of each product recovered by the processor and the utility's share thereof, (f) the revenues accruing to the utility, and (g) the basis of determination of the revenues accruing to the utility. Such records shall be maintained even though no revenues

PROPOSED RULE MAKING

492 Incidental gasoline and oil sales.

This account shall include revenues from natural gas gasoline produced direct from gas wells or recovered from drips or obtained in connection with purification or dehydration processes, and revenues from oil obtained from wells which produce oil and gas, the investment in which is carried in account 330, Producing Gas Wells—Well Construction, and 331, Producing Gas Wells-Well Equipment.

493 Rent from gas property.

A. This account shall include rents received for the use by others of land, buildings, and other property devoted to gas operations by the utility

B. When property owned by the utility is operated jointly with others under a definite arrangement for sharing the actual expenses among the parties to the arrangement, any amount received by the utility for interest or return or in reimbursement of taxes or depreciation on the property shall be credited to this account.

Note: Do not include rent from property constituting an operating unit or system in this account. (See account 412, Revenues from Gas Plant Leased to Others.)

494 Interdepartmental rents.

This account shall include credits for rental charges made against other departments of the utility. In the case of property operated under a definite ar-rangement to allocate actual costs among the departments using the property, any allowance to the gas department for interest or return and depreciation and taxes shall be credited to this account.

495 Other gas revenues.

This account shall include revenues derived from gas operations not includible in any of the foregoing accounts.

- 1. Commission on sale or distribution of gas of others when sold under rates filed by such others.
- 2. Compensation for minor or incidental services provided for others such as customer billing, engineering, etc.
- 3. Profit or loss on sale of material and supplies not ordinarily purchased for resale and not handled through merchandising and jobbing accounts.
- 4. Sales of steam, water, or electricity, including sales or transfers to other depart-. ments of the utility.
 - 5. Service charges for storing gas of others.

6. Miscellaneous royalties received.

7. Revenues from dehydration and other processing of gas of others, except products extraction where products are received as compensation and sales of such are includible in account 490, Sales of Products Extracted from Natural Gas, and except compression of gas of others, revenues from which are includible in account 489, Reve-nues from Transportation of Gas of Others.

Operation and Maintenance Expense Accounts

1. MANUFACTURED GAS PRODUCTION

OPERATION

Operation supervision and labor.

701 Fuel.

702 Raw materials.

Operation supplies and expenses. 703

704 Residuals produced-Credit. Rents.

MAINTENANCE

706 Maintenance of production plant.

2. NATURAL GAS PRODUCTION GATHERING

OPERATION

Operation supervision and labor.

Compressor station fuel and power. Extracted products supplies and ex-

penses.

713 Other supplies and expenses.

714 Gas well royalties.

715 Rents.

716 Maintenance of gas wells.

Maintenance of field lines. Maintenance of products extraction

plant.

Maintenance of other plant. 719

3. EXPLORATION AND DEVELOPMENT

OPERATION

720 Delay rentals.

Nonproductive well drilling. .

722 Abandoned leases.

723 Other exploration.

4. OTHER GAS SUPPLY EXPENSES

OPERATION

Natural gas purchases. 730

731 Other gas purchases.

Purchased gas expenses.

Gas withdrawn from underground 733 storage-Dr.

734 Gas delivered to underground storage-Cr.

735 Gas used in utility operations-Cr. Other gas supply expenses.

5. STORAGE EXPENSES

OPERATION

740 Operation supervision and labor.

741 742 Gas losses.

Operation supplies and expenses.

743 Storage well royalties.

744 Rents.

MAINTENANCE

745 Maintenance of wells.

746 Maintenance of other underground storaģe plant.

Maintenance of local storage plant.

6. TRANSMISSION EXPENSES

OPERATION

750 Operation supervision and labor.

751 Compressor station fuel and power.

752 Operation supplies and expenses. 753 Transmission and compression of gas

by others.

Rents.

MAINTENANCE

Maintenance of mains. 755

Maintenance of compressor equipment.

Maintenance of other plant.

7. DISTRIBUTION EXPENSES

OPERATION

Supervision.

Mains and services labor.

762 Mains and services supplies and expenses.

763 Meter and house regulator expenses.

Customer installations expenses. 764

765 Miscellaneous distribution expenses.

766 Rents.

MAINTENANCE_

Maintenance of lines.

Maintenance of meters and house regulators.

Maintenance of other plant.

8. CUSTOMER ACCOUNTS EXPENSES

OPERATION

901

Meter reading labor.
Accounting and collecting labor. 902

Supplies and expenses. 903

Uncollectible accounts.

9. SALES EXPENSES

OPERATION

910 Sales expenses.

Revenues from merchandising, job-914 bing and contract work.

Costs and expenses of merchandising, jobbing and contract work.

10. Administrative and General Expenses

920 Administrative and general salaries.

Office supplies and other expenses. 921 Administrative expenses transferred-

923 Outside services employed.

924 Property insurance.
Injuries and damages.

925

Employee pensions and benefits.

927 Franchise requirements.

928 Regulatory commission expenses.

929 Duplicate charges-Cr.

930 Miscellaneous general expenses.

931 Rents.

Transportation expenses.

MAINTENANCE

935 Maintenance of general plant.

Operation and Maintenance Expense Accounts

1. Manufactured Gas Production

Operation supervision and labor.

This account shall include the cost of supervision and labor in the operation of manufactured gas production plants.

1. Supervising.

2. Operating or attending equipment and controls including boiler plant, power equipment, and other auxiliaries.

3. Cleaning, lubricating, and oiling equipment and auxiliaries.

4. Loading and unloading and other handling of coal, coke, other fuels, raw materials, residuals, waste materials, etc.

5. Observing, testing, checking and adjusting meters, gauges, and other instruments and equipment.

6. Keeping plant logs and other records and preparing reports on plant operation.
7. Cleaning boiler room, other buildings,

and vards. 8. Repacking glands and replacing gauge glasses and other similar work if work is of a minor nature and performed by regular operating crews. Where work is of a major character, such as that performed on high pressure boilers, the work shall be consid-

ered maintenance.

9. Testing water, etc. 10. Janitor, messenger, watchmen, and similar services.

11. Clerical and stenographic work at

701 Fuel.

A. This account shall include the cost, delivered alongside works, of coal, oil. gas, or other fuel used in manufactured gas processes, and for making steam or generating electricity. It shall also include the net cost of, or the amount realized from, the disposal of ashes. (See account 150, Materials and Supplies.)

B. Records shall be maintained to show the quantity and cost of each type of fuel used.

702 Raw materials.

A. This account shall include the cost, delivered alongside works, of coal, oil, liquefied petroleum gas, gas enricher, and other materials used as raw materials in the manufacture of gas. including raw materials for manufacture of gas by reforming. (See account 150, Materials and Supplies.)

B. Records shall be maintained to show the quantity and cost of each type of raw material used.

703 Operation supplies and expenses.

This account shall include the cost of supplies used and expenses incurred in manufactured gas production operations not includible in any of the foregoing accounts.

ITEMS

- 1. Lubricants, packing, waste, etc.
- 2. Water purchased.
- 3. Water purification supplies and expenses.
 - 4. Tools, hand.
 - 5. Gas purification supplies and expenses.
 - 6. Oil for oil fogging process.
- Royalties for purification process, etc.
- 8. Building service, communication service, transportation.

704 Residuals produced—Credit.

- A. This account shall be credited and account 150, Materials and Supplies, debited monthly with the estimated value of residuals and other by-products obtained in connection with the production of manufactured gas, whether intended for sale or for use in operations.
- B. If the net amount realized from the sale of residuals is greater or less than the amount at which they were originally credited hereto, an adjusting entry shall be made crediting or debiting this account and charging or crediting account 150, Materials and Supplies, with the difference.

705 Rents.

This account shall include rents for property of others used, occupied, or operated in connection with manufactured gas production operations. operating expense instruction 2.)

706 Maintenance of production plant.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of manufactured gas production plant the book cost of which is includible in plant accounts 305 to 320, inclusive. (See operating expense instruction 1.)

2. NATURAL GAS PRODUCTION AND GATHERING

710 Operation supervision and labor.

This account shall include the cost of supervision and labor in the operation of gas wells, lines, compressors and other equipment of the natural gas production and gathering system including miscellaneous labor such as care of grounds, building service, and general clerical and stenographic work at field offices.

- 1. Supervising.
- 2. Geological activities in connection with gas production.

3. Rights-of-way activities and supervision, not in connection with construction or retirement work or storage.

FEDERAL REGISTER

- 4. Gas well labor: turning wells on and off, bailing, swabbing, blowing wells, etc.
- 5. Preparing and maintaining production maps and land records, including surveys.

 6. Gas depletion and gas reserve studies.
- 7. Field line labor: patrolling, attending and lubricating valves and other equipment, blowing and cleaning lines and drips, taking
- line pressures, etc.
 8. Field compressor station labor: operating, attending, lubricating and servicing equipment, recording pressures, replacing
- 9. Measuring and regulating labor: recording pressures, changing charts, calculating gas volumes except for purchased gas and sales, adjusting and calibrating measuring equipment, taking gas samples and testing gas, inspecting and pumping drips, dewatering manholes and pits, etc.
- 10. Purification labor: attending and servicing purification apparatus, emptying, cleaning and refilling purifier boxes, unloading and storing glycol, etc.
- 11. Inspecting and testing equipment, not specifically to determine necessity for repairs or replacement of parts.
- 12. Lubricating equipment, valves, etc. 13. Hauling operating employees, mate-
- rials, supplies, etc. 14. Moving equipment, minor structures, etc., not in connection with construction, retirement, or maintenance work.
- 15. Keeping log and other operating records, preparing reports of operations, etc.
- 16. Cleaning structures, cutting grass and weeds, and minor grading around stations.
- 17. Cleaning debris, cutting grass and weeds on rights-of-way.
- 18. Cleaning and repairing tools.
- 19. Building and repairing gate boxes, foot bridges, stiles, tool boxes, etc.
- 20. Janitor, watchmen, and messenger services.
 - 21. Clerical and stenographic work.

711 Compressor station fuel and power.

- A. This account shall include the cost of gas, coal, oil, or other fuel, or electricity, used for the operation of field compressor stations.
- B. Records shall be maintained to show the quantity of each type of fuel consumed or electricity used at each compressor station, and the cost of such fuel or power.

Note: The cost of fuel, except gas, shall be charged initially to account 150, Materials and Supplies, and cleared to this account on the basis of fuel used.

Extracted products supplies and expenses.

This account shall include the cost of supplies used and expenses incurred in operation of plants for the extraction of salable products from natural gas.

NOTE: If the products extraction operations of the utility are other than a relatively minor part of the utility's natural gas business, the utility shall use the accounts for products extraction expenses of the Uni-form System of Accounts for Classes A and B Gas Utilities with the respective accounts prescribed therein identified as subaccounts to this account.

713 Other supplies and expenses.

This account shall include the cost of supplies used and expenses incurred in producing and gathering natural gas not includible in any of the foregoing accounts.

ITEMS

- 1. Scrubber oil.
- 2. Gas, gasoline, and oil, in pumping, bailing, heating, and swabbing.
 - 3. Well swabs.
- 4. Lumber, nails, and other materials used for upkeep of fences, making signs, etc.
 - 5. Material for upkeep of roads, etc.
 - 6. Hand tools.
 - Lubricants, wiping rags, waste, etc.
 - Gas used in field line operations.
 - Charts and printed forms.
 - 10. Gauge glasses.11. Water tests and treatment by other
- than employees. 12. Gas purifying supplies.
- 13. Geological and gas reserve services by others than employees in connection with gas production.
- 14. Office supplies, stationery, drafting materials, etc.
- 15. Janitor, washroom, landscaping, first aid supplies, etc.
- 16. Employees' transportation and travel expense.
- 17. Freight, express, parcel post, trucking, and other transportation.
- 18. Utility services: light, water, telephone.

714 Gas well royalties.

- A. This account shall include royalties paid for natural gas produced by the utility from wells on land owned by others.
- B. Records supporting the entries to this account shall be so kept that the utility can furnish the name of the parties to each contract involving royalties, the terms of each contract, the location of the property involved, the method of determining the royalties, and the amounts payable.

715 Rents.

This account shall include rents for property of others used, occupied or operated in connection with the production and gathering of natural gas, other than rentals on land and land rights held for the supply of natural gas. (See operating expense instruction 2.)

Note: See account 720, Delay Rentals, for rentals paid on lands held for the purpose of obtaining a supply of gas in the future.

Maintenance of gas wells.

This account shall include the cost of labor, materials used and expenses incurred in maintenance of gas wells and equipment the book cost of which is includible in accounts 330, Producing Gas Wells-Well Construction, and 331, Producing Gas Wells—Well Equipment. (See operating expense instruction 1.)

717 Maintenance of field lines.

This account shall include the cost of labor, materials used and expenses incurred in maintenance of field lines the book cost of which is includible in account 332, Field Lines. (See operating expense instruction 1.)

- 1. Electrolysis and leak inspections (not routine).
- 2. Installing and removing temporary lines, when necessitated by maintenance.
- 3. Lamping and watching while making repairs.
- 4. Lowering and changing location of portion of lines, when the same pipe is used.
- 5. Protecting lines from fires, floods, land slides, etc.
 - 6. Rocking creek crossings.

plant.

This account shall include the cost of labor, materials and supplies used and expenses incurred in the maintenance of plant the book cost of which is includible in accounts 341 to 347, inclusive. (See operating expense instruction 1.)

719 Maintenance of other plant.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of plant the book cost of which is includible in natural gas production and gathering plant, except accounts 330, 331, and (See operating expense instruction 1.)

3. EXPLORATION AND DEVELOPMENT EXPENSES

720 Delay rentals.

- A. This account shall be charged with the amount of rents paid periodically on natural gas lands in order to hold natural gas land and land rights for the purpose of obtaining a supply of gas in the future.
- B. Include also in this account the cost of obtaining natural gas leases for a period of one year or less.
- C. Records supporting this account shall be so kept that the utility can furnish complete details of the charges made for each natural gas leasehold. (See note to gas plant instruction 6-G.)

721 Nonproductive well drilling.

This account shall include the net cost of drilling nonproductive wells.

Note: Records in support of the charges to this account shall conform, as appropriate, to General Instruction 12, Gas Well Records.

722 Abandoned leases.

This account shall be charged with losses on abandonment of natural gas leases included in account 105, Gas Plant Held for Future Use, which have never been productive, unless otherwise authorized or directed by the Commission. (See account 182.)

Other exploration.

This account shall be charged with the cost of abandoned projects on which preliminary expenditures were made for the purpose of determining the feasibility of acquiring acreage to provide a future supply of natural gas. (See account 183, Other Deferred Debits.)

4. OTHER GAS SUPPLY EXPENSES

730 Natural gas purchases.

- A. This account shall include the cost at point of receipt by the utility of natural gas purchased for resale.
- B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and each point of receipt, the quantity of gas, basis of charges, and the amount paid for the gas.

731 Other gas purchases.

A. This account shall include the cost, at point of receipt by the utility, of manufactured gas, refinery gas, or any gas other than natural gas, or other than

718 Maintenance of products extraction any mixed gas in which the natural gas is an important portion of the mixture.

B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and each point of receipt, the kind and quantity of gas, Btu content, basis of the charges, and the amount paid for the

732 Purchased gas expenses.

- A. This account shall include expenses incurred directly in connection with the purchase of gas for resale.
- B. The utility shall not include as purchased gas expense, segregated or apportioned expenses of operating and maintaining gathering system plant whether such plant is devoted solely or partially to purchases of gas, except that the utility shall include the cost of turning on and off purchase gas wells and operating measuring stations devoted exclusively to measuring purchased gas.
- C. In general, it is intended that this account include only the expenses directly related to purchased gas, including the expenses of computing volumes of gas purchased, and special items directly related to gas purchases which are not includible in other accounts.

Gas withdrawn from underground storage-Debit.

- A. This account shall include debits for the cost of gas withdrawn from underground storage during the year. Contra credits for entries to this account shall be made to account 164, Gas Stored Underground.
- B. Withdrawal of gas from storage shall not be netted against deliveries to storage. (See account 734.)

Note: Adjustments for gas inventory losses due to cumulative inaccuracies in gas measurement, or from other causes, shall be entered in account 741, Gas Losses. If, however, any adjustment is substantial and related predominantly to prior years, it shall be charged to account 435, Miscellaneous Debits to Surplus.

734 Gas delivered to underground storage--Credit.

- A. This account shall include credits for the cost of gas delivered to underground storage during the year. Contra debits for entries to this account shall be made to account 164, Gas Stored Underground.
- B. Deliveries of gas to storage shall not be netted against withdrawals from storage. (See account 733.)

735 Gas used in utility operations-Credit.

This account shall include concurrent credits for charges which are made to operating expenses or other accounts of the gas department for gas from the common system supply used for compressor station fuel or other purposes. (See account 484, Interdepartmental Sales, for gas supplied to departments other than the gas utility department.)

736 Other gas supply expenses.

This account shall include the cost of labor and materials used and expenses incurred in connection with gas supply functions not provided for in any of the above accounts.

5. STORAGE EXPENSES

740 Operation supervision and labor.

This account shall include the cost of supervision and labor in the operation of storage facilities including underground storage gas wells, lines, compressors and other equipment of the underground storage system, and the labor and expense of preparing and maintaining storage maps and land records.

- 1. Operation of local storage facilities.
- 2. Operation of underground storage system. (See account 710.)

741 Gas losses.

This account shall include the amounts of inventory adjustments representing the cost of gas lost or unaccounted for in underground storage operations due to cumulative inaccuracies of gas measurements or other causes. If, however, any adjustment is substantial and relates predominantly to prior years, it shall be charged to account 435, Miscellaneous Debits to Surplus.

742 Operation supplies and expenses.

This account shall include the cost of supplies used and expense incurred in connection with storage operating functions not provided for in any of the above accounts, including power and fuel for compressor stations used in underground storage operations.

ITEMS

- 1. Supplies used in operation of local storage facilities.
- 2. Supplies used in operation of underground storage system. (See account 713.)

743 Storage well royalties.

- A. This account shall include royalties. rents, and other payments includible in operating expenses for gas wells and gas land acreage located within and comprising underground storage projects of the utility. (See operating expense instruc-
- tion 2.)
 B. The records supporting this account shall be so maintained that information will be readily available for each storage project, names of the parties to each contract, basis of the charges, and location of wells to which the royalties or rents of each contract relate.

This account shall include rents for property of others used in connection with the storage of gas, other than rents and royalties paid with respect to storage wells and gas lands utilized for the holding of gas in underground storage. (See operating expense instruction 2.)

Maintenance of wells.

This account shall include the cost of labor, materials used and expenses incurred in maintenance of gas wells and equipment the book cost of which is includible in account 352, Wells. (See operating expense instruction 1.)

746 Maintenance of other underground storage plant.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of plant the book cost of which is includible in accounts 351 to 357, inclusive, except account 352. (See operating expense instruction 1.)

747 Maintenance of local storage plant.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of plant the book cost of which is includible in accounts 361 to 363, inclusive. (See operating expense instruction 2.)

6. Transmission Expenses

750 Operation supervision and labor.

This account shall include the cost of supervision and labor in the operation of lines, compressor stations, and other equipment of the transmission system.

TTEMS

- 1. Load dispatching labor.
- 2. Transmission communication system labor.
 - 3. Compressor station labor.
 - 4. Mains labor.
 - 5. Measuring and regulating station labor.
 - 6. Miscellaneous labor.

751 Compressor station fuel and power.

- A. This account shall include the cost of gas, or other fuel or electricity, used for the operation of transmission compressor stations.
- B. Records shall be maintained to show the Mcf of gas or quantity of each other type of fuel consumed or electricity used at each compressor station, and the cost of such fuel or power.

752 Operation supplies and expenses.

This account shall include the cost of supplies used and expenses incurred in connection with transmission system operating functions not provided for in any of the above accounts.

ITEMS

- 1. Consultants' fees and expenses.
- 2. Payments to others for transmission communications services.
- 3. Telephone batteries, radio tubes, radio crystals, etc.
 - 4. Scrubber oil.
 - 5. Charts and printed forms.
 - 6. Gauge glasses.
 - 7. Water treatment chemicals.
- 8. Water tests and treatment other than by employees.
- 9. Line markers and warning signs.
- 10. Lumber, nails, etc., used in building and repairing gate boxes, foot bridges, stiles, etc.
 - 11. Lubricants, wiping rags, waste, etc.
 - 12. Hand tools.
- 13. Freight, express, parcel post, trucking and other transportation.
- 14. Employees' transportation and travel expenses.
- 15. Janitor and washroom supplies, first aid supplies, etc.
- 16. Utility services; light, water, telephone.

753 Transmission and compression of gas by others.

A. This account shall include amounts paid to others for the transmission and compression of gas of the utility.

B. Records supporting this account shall be so maintained that there shall be readily available for each agreement, name of other party, Mcf of gas delivered to the other party for transmission or compression and the Mcf of gas received back by the utility after trans-

mission or compression, points of delivery to and receipt of gas from other party, amount and basis of charges for the transmission or compression service.

Note: If in connection with any gas delivered to another for transmission or compression such other party also processes the gas for extraction of gasoline or other salable products, credits attributable to the products so extracted shall be made to account 491, Revenues from Natural Gas Processed by Others, to the end that amounts recorded in this account shall only be charges for transportation or compression service.

754 Rents.

This account shall include rents for property of others used, occupied or operated in connection with the operation of the transmission system. Include herein rentals paid for regulator sites, railroad crossings, rights-of-way, annual payments to governmental bodies and others for use of public or private lands, and reservations for rights-of-way. (See operating expense instruction 2.)

755 Maintenance of mains.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of mains, the book cost of which is includible in account 367, Mains. (See operating expense instruction 1.)

ITEMS

- 1. Supervising.
- 2. Electrolysis and leak inspections.
- 3. Installing and removing temporary lines, when necessitated by maintenance.
 4. Lamping and watching while making
- 5. Lowering and changing location of lines, when the same pipe is used.
- 6. Protecting lines from fires, floods, land slides, etc.
 - 7. Rocking creek crossings.

756 Maintenance of compressor station equipment.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of equipment; the book cost of which is includible in account 368, Compressor Station Equipment. (See operating expense instruction 1.)

757 Maintenance of other plant.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of structures and equipment, the book cost of which is includible in accounts 366, 369, 370, and 371. (See operating expense instruction 2.)

7. DISTRIBUTION EXPENSES

760 Supervision.

This account shall include the cost of labor and expenses incurred in the general supervision and direction of distribution system operations. Direct supervision of specific activities such as main operations, removing and resetting meters, etc., shall be charged to the appropriate account.

761 Mains and services labor.

This account shall include the cost of labor incurred in operating distribution system mains and services and related equipment.

ITEMS

- 1. Mains and services labor.
- 2. Pumping station labor.
- 3. Measuring and regulating station labor.

762 Mains and services supplies and expenses.

This account shall include the cost of supplies used and expenses incurred in operating distribution system mains and services and related equipment.

ITEMS

- 1. Line markers and warning signs.
- 2. Lumber, nails, etc., used in building and repairing gate boxes, etc.
 - 3. Charts and printed forms.
 - 4. Scrubber oil.
 - Hand tools.
 - 6. Lubricants, wiping rags, waste, etc.
 - 7. Oil for fogging.
 - 8. Lubricants, wiping rags, waste.
- 9. Freight, express, parcel post, trucking and other transportation.

763 Meter and house regulator expenses.

This account shall include the cost of labor, materials used and expenses incurred in connection with removing, resetting, changing, testing, and servicing customer meters and house regulators.

ITEMS

Labor:

- 1. Removing, reinstalling, and changing or exchanging customer meters and house regulators.
- 2. Turning on and shutting off meters, except for failures of customers to pay bills.
- 3. Clerical work on meter history and associated equipment record cards, test cards, and reports.
- 4. Handling and recording meters and house regulators for stock.
- 5. Inspecting and testing meters and house regulators.
- 6. Inspecting and adjusting testing equipment.
- 7. Driving trucks used in meter operations. Materials and expenses:
- 8. Meter locks and seals.
- 9. Lubricants, wiping rags, waste, etc.
- Freight, express, parcel post, trucking, and other transportation.
- 11. Utility services: light, water, telephone, heating.12. Office supplies, stationery and printing.
- 13. Employees' transportation expenses.
 14. Janitor, washroom, first aid supplies,
- 14. Janitor, washroom, first aid supplies, etc.

NOTE: The cost of the first setting of a meter or house regulator shall be charged to account 382, Meter Installations, or account 384, House Regulator Installations, as appropriate.

764 Customer installations expenses.

- A. This account shall include the cost of labor, materials used and expenses incurred in work on customer premises other than expenses includible in account 763, including the cost of servicing customer-owned appliances when the cost of such work is borne by the utility.
- B. Damage to customer equipment by employees of the utility whether incidental to the work or the result of negligence, shall be charged to the job on which the employee was engaged at the time of damage.

ITEMS

Labor:

1. Investigating and correcting pressure difficulties, leaks, or stoppages in customer-owned piping.

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- 2. Inspecting new installations to determine that the customers' equipment and piping are properly installed and connected.
- 3. Consolidating meter installations, without change of size, due to elimination of separate meters for different service classifications.
- 4. Gas load surveys including the incidental preparations and replacement of meters.

5. Installing demand or test meters.6. Inspecting, cleaning, repairing, and ad-

6. Inspecting, cleaning, repairing, and adjusting customer-owned appliances for domestic, industrial, or commercial use, including house heating furnaces and other space heating appliances, hotel and restaurant appliances.

Materials and Expenses:

- 7. Lubricants, wiping rags, waste, etc.
- 8. Replacement parts for appliances.
- 9. Janitor, washroom, first aid supplies, tc.
- 10. Employees' transportation and travel expenses.
 - 11. Utility services: light, water, telephone.

Note: Amounts billed customers for any work, the cost of which is charged to this account, shall be credited to this account. Any excess over costs resulting therefrom shall be transferred to account 488, Miscellaneous Service Revenues.

765 Miscellaneous distribution expenses.

This account shall include the cost of labor, materials used and expenses incurred, general distribution office work, preparation and maintenance of distribution maps and records, and other expenses not provided for elsewhere, including expenses of operating any street lighting systems.

766 Rents.

This account shall include rents for property of others used, occupied or operated in connection with the operation of the distribution system. Include herein rentals paid for regulator sites, railroad crossings, rights-of-way, annual payments to governmental bodies and others for use of public or private lands, and reservations for rights-of-way. (See operating expense instruction 2.)

767 Maintenance of lines.

This account shall include the cost of labor, materials and supplies used and expenses incurred in the maintenance of plant the book cost of which is includible in accounts 376, 377, 378, 379, 380, and 385. (See operating expense instruction 1)

ITEMS

Mains

- 1. Trenching, backfilling, and breaking and restoring pavement in connection with the installation of leak or reinforcing clamps.
- 2. Work performed as the result of municlpal improvements such as street widening, sewers, etc., where the gas mains are not retired.
- 3. Municipal inspections relating to maintenance work.
- 4. Other work of the following character:
- a. Locating leaks incident to maintenance.
 b. Cutting off mains without replacement.
 (Minor cuts not retired.)
- c. Repairing broken mains, leaking joints, leaking drip riser, etc.
- d. Bringing main valve box, main drip riser box, valve test pipe box, or pressure pipe roadway box up to grade.
- c. Cleaning, repainting, coating, and wrapping exposed mains.
- f. Repacking main valves.
- g. Lowering and changing location of mains.

- h. Trenching, backfilling, cutting-in or removal of pipe not retired in connection with the installation of leak clamps, valves, or drips
- i. Restoration of permanent pavement in connection with work chargeable to maintenance.
- j. Emergency stand-by time associated with maintenance.
- k. Repairing sewers, drains, walls, etc., when damaged by maintenance work.
- 1. Making electrolysis tests to maintain life of plant.
- m. Repairing property of others damaged by maintenance work.

Compressor station equipment: (See operating expense instruction 1.)

Measuring and regulating station equipment: (See operating expense instruction 1.)
Services:

- 5. Testing pipe for leaks, stoppage, or other trouble and making necessary repairs.
 6. Reporting on the condition of gas serv-
- Reporting on the condition of gas ser ices to determine the need for repairs.
- 7. Rearranging and changing the location of services not retired.
- 8. Repairing service valves for reuse.
- 9. Lowering and raising curb boxes to grade.
- 10. Replacing less than a complete service, when not retired.
- 11. Installing fittings, valves, drips, frost protection devices, or replacing similar items on existing services.
- 12. Cutting and replacing pavement, pavement base and sidewalks in connection with maintenance work.
- 13. Restoring condition of services damaged by fire, storm, leakage, flood, accident, or other casualties.
- 14. Repairing property of others damaged by maintenance work.
- 15. Transferring services in connection with the installation of new mains.
- 16. Installing, maintaining, and removing temporary facilities to prevent the interruption of service.
- 17. Converting low pressure gas distribution service to medium or high pressure service.
- 18. Relocating and rerouting gas service temporarily during alterations of buildings.
- Performing work resulting from municipal improvements, such as street widening, sewers, etc.
- 20. Replacing service valve box or drip riser box.
- 21. Installing, removing or replacing service valve, drip pot, or drip riser.
 - 22. Repacking service valve.

768 Maintenance of meters and house regulators.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of meters and house regulators, the book cost of which is includible in accounts 381, Meters, and 383, House Regulators. (See operating expense instruction 1.)

ITEMS

- 1. Inspecting and testing meters and house regulators on customers' premises or in shops in connection with repairs.
- Cleaning, repairing, and painting meters, house regulators, and accessories and equipment.
- 3. Repairing testing equipment.
- 4. Rebuilding and overhauling meters without changing their rated capacities.
 5. Resealing house regulators with mer-
- cury, replacing diaphragms, springs and other defective or work parts.
- 6. Replacing or adding any item not constituting a retirement unit.

769 Maintenance of other plant.

This account shall include the cost of labor, materials used and expenses in-

curred in the maintenance of structures, and all other distribution system plant not provided for elsewhere, the book cost of which is includible in accounts 375, 386, and 387. (See operating expense instruction 1.)

ITEMS

1. Work of similar character to that listed in other distribution maintenance accounts.

Maintenance of office furniture and equipment used by distribution system department.

8. CUSTOMER ACCOUNTS EXPENSE

901 Meter reading labor.

This account shall include the cost of labor incurred in reading customer meters and determining consumption when performed by employees engaged in reading meters.

ITEMS

Labor:

- 1. Addressing forms for obtaining meter readings by mail.
- 2. Changing and collecting meter charts used for billing purposes.

3. Checking meter seals, etc., when performed by meter readers and the work represents a minor activity incidental to regular meter reading routine.

- 4. Meter reading—small consumption, and obtaining load information for billing purposes. (Exclude and charge to account 763, Meter and House Regulator Expenses, or to account 902, Accounting and Collecting Labor, as applicable, the cost of obtaining meter readings, first and final, if incidental to the operation of removing or resetting, sealing or locking, and disconnecting, or reconnecting meters.)
- 5. Measuring gas—large consumption, including reading meters, changing charts, calculating charts, estimating lost meter registrations, determining specific gravity, etc., for billing purposes.
- 6. Computing consumption from meter reader's book or from reports by mail when
- done by employees engaged in reading meters.
 7. Collecting from prepayment meters when incidental to meter reading.
- 8. Maintaining record of customers' keys.
 9. Computing estimated or average consumption when performed by employees engaged in reading meters.

902 Accounting and collecting labor.

This account shall include the cost of labor in work on customer applications, contracts, orders, credit investigations, billing and accounting, collections and complaints.

TTEMS

- 1. Receiving, preparing, recording and handling routine orders for service, disconnections, transfers or meter tests initiated by the customer, excluding the cost of carrying out such orders, which is chargeable to the account appropriate for the work called for by such orders.
- 2. Investigating customers' credit and keeping records pertaining thereto, including records of uncollectible accounts written off.
- Receiving, refunding or applying customer deposits and maintaining customer deposit, line extension, and other miscellaneous records.
- Checking consumption shown by meter readers' reports where incidental to preparation of billing data.
- Preparing address plates and addressing bills and delinquent notices.
 - 6. Preparing billing data.
- 7. Operating billing and bookkeeping machines.
- 8. Verifying billing records with contracts or rate schedules.

- 9. Preparing bills for delivery, and mailing or delivering bills.
- 10. Collecting revenues, including collection from prepayment meters unless incidental to meter reading operations.
- 11. Balancing collections, preparing collections for deposit, and preparing cash reports.
- 12. Posting collections and other credits or charges to customer accounts and extending unpaid balances.
- 13. Balancing customer accounts and controls.
- 14. Preparing, mailing, or delivering delinquent notices and preparing reports of delinquent accounts.
- 15. Final meter reading of delinquent accounts when done by collectors incidental to regular activities.
- 16. Disconnecting and reconnecting services because of nonpayment of bills.
- 17. Receiving, recording, and handling of inquiries, complaints, and request for investigations from customers, including preparation of necessary orders, but excluding the cost of carrying out such orders, which is chargeable to the account appropriate for the work called for by such orders.
- 18. Statistical and tabulating work on customer accounts and revenues, but not including special analyses for sales department, rate department, or other general purposes. unless incidental to regular customer accounting routines.
- 19. Preparing and periodically rewriting meter reading sheets.
- 20. Determining consumption and computing estimated or average consumption when performed by employees other than those engaged in reading meters.

Note: The cost of work on meter history and meter location records is chargeable to account 763, Meter and House Regulator Expenses.

903 Supplies and expenses.

This account shall include the cost of materials used and expenses incurred in meter reading and the handling of customer accounts.

- 1. Badges, lamps and uniforms.
- 2. Meter charts, meter books and binders and forms for recording readings, but not the cost of preparation.
- 3. Address plates and supplies.
- 4. Cash overages and shortages when written off.
- 5. Commissions or fees to others for collecting.
- 6. Payments to credit organizations for investigations and reports.
- 7. Postaga.
- 8. Transportation of customer bills and meter books under centralized billing procedure.
- 9. Bank charges, exchange, and other fees for cashing and depositing customers' checks.
- 10. Forms for recording orders for services, removals, etc.
 - 11. Rent of mechanical equipment.
- 12. Transportation, meals and incidental expenses.
 - 13. Communication service.
- 14. Miscellaneous office supplies and expenses and stationery and printing.

904 Uncollectible accounts.

This account shall be charged with amounts sufficient to provide for losses from uncollectible utility revenues. Concurrent credits shall be made to account 144, Accumulated Provision for Uncollectible Accounts-Cr. Losses from uncollectible accounts shall be charged to account 144.

9. SALES EXPENSES

910 Sales expenses.

This account shall include the cost of labor and expenses incurred for the purpose of promoting the sale of gas, other than merchandising, jobbing, or contract work activities.

TTEMS

- 1. Advertising.
- 2. Demonstrating uses of utility service.
- 3. Home service activities.
- 4. Solicitation of new business.

Revenues from merchandising, jobbing and contract work.

Costs and expenses of merchandising, jobbing and contract work.

- A. These accounts shall include, respectively, all revenues derived from the sale of merchandise and jobbing or contract work, including any profit or commission accruing to the utility on jobbing work performed by it as agent under contracts whereby it does jobbing work for another for a stipulated profit or commission and all expenses incurred in such activities.
- B. Records in support of these accounts shall be so kept as to permit ready summarization of revenues, costs and expenses by such major items as are feasible.

Note: Revenues and expenses of merchandising, jobbing, and contract work shall be reported in this account, if a state regulatory body having jurisdiction over the utility requires such income to be reported as an operating expense item; but the revenues and expenses shall be reported in accounts 415 and 416, if such regulatory body requires such income to be reported as nonoperating income. In the absence of a requirement by a state regulatory body, the utility may use these accounts or accounts 415 and 416, at its option, in which case the practice of the utility must be consistent.

Trems

- Account 914

 1. Revenues from sale of merchandising and from jobbing and contract work.
- 2. Discounts and allowances made in settlement of bills for merchandise and jobbing work.

Account 915

Labor:

- 1. Canvassing and demonstrating appliances in homes and other places for the purpose of selling appliances.
- 2. Demonstrating and selling activities in sales rooms.
- 3. Installing appliances on customer premises where such work is done only for purchasers of appliances from the utility.
- 4. Installing piping, or other property work on a jobbing or contract basis. 5. Preparing advertising materials for ap-
- pliances sales purposes. 6. Receiving and handling customer orders
- for merchandise or for jobbing services. 7. Cleaning and tidying sales rooms.
- 8. Maintaining displays and equipment used in merchandising.
- 9. Arranging merchandise in sales rooms and decorating display windows.
- 10. Reconditioning repossessed appliances. 11. Bookkeeping and other clerical work in connection with merchandise and jobbing activities.
- 12. Supervising merchandise and jobbing operations.

Materials and Expenses:

13. Advertising in newspapers, periodicals, radio, television, etc.

- 14. Cost of merchandise sold and of materials used in jobbing work.
- 15. Stores expense on merchandise and jobbing stocks.
- 16. Fees and expenses of advertising and commercial artists' agencies. 17. Printing booklets, dodgers, and other
- advertising data. 18. Premiums given as inducement to buy
- appliances.
 - 19. Light, heat and power.
 - 20. Rent of sales rooms or of equipment.
- 21. Transportation expense in delivery and pick-up of appliances by utility's facilities or
- 22. Stationery and office supplies and expenses.
- 23. Taxes directly assignable to merchandise and jobbing operations.
 24. Losses from uncollectible merchandise
- and jobbing accounts.

10. Administrative and General EXPENSES 920 Administrative and general salaries.

- A. This account shall include the compensation (salaries, bonuses, and other consideration for services, but not including directors' fees) of officers, executives, and other employees of the utility properly chargeable to utility operations and not chargeable directly to a particular operation function.
- B. This account may be subdivided in accordance with a classification appropriate to the departmental or other functional organization of the utility.

921 Office supplies and expenses.

- A. This account shall include office supplies and expenses incurred in connection with the general administration of the utility's operations which are assignable to specific administrative or general departments and are not specifically provided for in other accounts. This includes the expenses of the various administrative and general departments, the salaries and wages of which are includible in account 920.
- B. This account may be subdivided in accordance with a classification appropriate to the departmental or other functional organization of the utility.

Note: Office expenses which are clearly applicable to any group of operating expenses other than the administrative and general group shall be included in the appropriate account in such group. Further, general expenses which apply to the utility as a whole rather than to a particular ad-ministrative function shall be included in account 930, Miscellaneous General Expenses.

. ITEMS

- 1. Automobile service, including charges through clearing account.
- 2. Bank messenger and service charges.
 3. Books, periodicals, bulletins and subscriptions to newspapers, newsletters, tax services, etc.
- 4. Building service expenses for customer accounts, sales, and administrative and general purposes.
 - 5. Communication service expenses.
- 6. Cost of individual items of office equipment used by general departments which
- are of small value or short life.
 7. Membership fees and dues in trade, technical, and professional associations paid by utility for employees. (Company memberships are includible in account 930.)
- 8. Office supplies and expenses.
 9. Payment of court costs, witness fees, and other expenses of legal department.

10. Postage, printing, and stationery.

11. Meals, traveling and incidental expenses.

922 Administrative expenses transferred—Cr.

This account shall be credited with administrative expenses recorded in account 920, and 921 which are transferred to construction costs or to nonutility accounts. (See utility plant instruction 3.)

923 Outside services employed.

A. This account shall include the fees and expenses of professional consultants and others for general services which are not applicable to a particular operating function or to other accounts. It shall include, also, the pay and expenses of persons engaged for a special or temporary administrative or general purpose in circumstances where the person so engaged is not considered an employee of the utility.

B. This account shall be so maintained as to permit ready summarization according to the nature of service and the person furnishing the same.

Trems

1. Fees, pay and expenses of accountants and auditors, actuaries, appraisers, attorneys, engineering consultants, management consultants, negotiators, public relations counsel, tax consultants, etc.

2. Supervision fees and expenses paid under contracts for general management services.

Note: Do not include inspection and brokerage fees and commissions chargeable to other accounts or fees and expenses in connection with security issues which are includible in the expenses of issuing securities.

924 Property insurance.

A. This account shall include the cost of insurance or reserve accruals to protect the utility against losses and damages to owned or leased property used in its utility operations.

B. Recoveries from insurance companies or others for property damages shall be credited to the account charged with the cost of the damage. If the damaged property has been retired, the credit shall be to the appropriate account for accumulated provision for depreciation.

C. Records shall be kept so as to show the amount of coverage for each class of insurance carried, the property covered, and the applicable premiums. Any dividends distributed by mutual insurance companies shall be credited to the accounts to which the insurance premiums were charged.

ITEMS

1. Premiums payable to insurance companies, for fire, storm, burglary, explosion, lightning, fidelity, riot, and similar insurance.

Amounts credited to account 261, Property Insurance Reserve for similar protection.
 Special costs incurred in procuring

insurance.
4. Insurance inspection service.

5. Insurance counsel, brokerage fees, and expenses.

Note A: The cost of insurance or reserve accruals capitalized shall be charged to con-

struction either directly or by transfer to construction work orders from this account.

Note B: The cost of insurance or reserve accruals for the following classes of property shall be charged as indicated:

(1) Materials and supplies and stores equipment to stores expenses or to appropriate materials account.

(2) Transportation and garage equipment, to account 933, Transportation Expenses.

(3) Gas plant leased to others, to account
413, Expenses of Gas Plant Leased to Others,
(4) Nonutility property, to the appropriate nonutility income account.

(5) Merchandise and jobbing property, to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work, or

account 915, as appropriate. 925 Injuries and damages.

A. This account shall include the cost of insurance or reserve accruals to protect the utility against injuries and damages claims of employees or others, losses of such character not covered by insurance, and expenses incurred in settlement of injuries and damages claims.

B. Reimbursements from insurance companies or others for expenses charged hereto on account of injuries and damages and insurance dividends or refunds shall be credited to this account.

ITEMS

1. Premiums payable to insurance companies for protection against claims from injuries and damages by employees or others, such as public liability, property damages, casualty, employee liability, etc., and amounts credited to account 262, Injuries and Damages Reserve for similar protection.

2. Losses not covered by insurance or reserve accruals on account of injuries or deaths to employees or others and damages

to the property of others.

3. Fees and expenses of claim investigators.
4. Payment of awards to claimants for court costs and attorneys services.

5. Medical and hospital service and expenses for employees as the result of occupational injuries, or resulting from claims of others.

6. Compensation payments under workmens' compensation laws.

7. Compensation paid while incapacitated as the result of occupational injuries. (See Note A.)

8. Cost of safety, accident prevention and similar educational activities.

NOTE A: Payments to or in behalf of employees for accident or death benefits, hospital expenses, medical supplies or for salaries while incapacitated for service or on leave of absence beyond periods normally allowed, when not the result of occupational injuries, shall be charged to account 926, Employee Pensions and Benefits. (See also Note B of account 926.)

NOTE B: The cost of injuries and damages or reserve accruals capitalized shall be charged to construction directly or by transfer to construction work orders from this account.

Note C: Exclude herefrom the time and expenses of employees (except those engaged in injuries and damages activities) spent in attendance at safety and accident prevention educational meetings, if occurring during the regular work period.

Note D: The cost of labor and related supplies and expenses of administrative and general employees who are only incidentally engaged in injuries and damages activities may be included in accounts 920 and 921 as appropriate.

926 Employee pensions and benefits.

A. This account shall include pensions paid to or on behalf of retired employees, or accruals to provide for pensions, or payments for the purchase of annuities for this purpose, when the utility has definitely, by contract, committed itself to a pension plan under which the pension funds are irrevocably devoted to pension purposes, and payments for employee accident, sickness, hospital, and death benefits, or insurance therefor. Include, also, expenses incurred in medical, education or recreational activities for the benefit of employees.

B. The utility shall maintain a complete record of accruals or payments for pensions and be prepared to furnish full information to the Commission of the plan under which it has created or proposes to create a pension fund and a copy of the declaration of trust or resolution under which the pension plan is

established.

C. There shall be credited to this account the portion of pensions and benefits expenses which is applicable to non-utility operations or which is charged to construction unless such amounts are distributed directly to the account involved and are not included herein in the first instance.

ITEMS

1. Payment of pensions under a nonaccrual or nonfunded basis.

2. Accruals for or payments to pension funds or to insurance companies for pension purposes.

3. Group and life insurance premiums (credit dividends received).

4. Payments for medical and hospital services and expenses of employees when not the result of occupational injuries.

Payments for accident, sickness, hospital, and death benefits or insurance.

6. Payments to employees incapacitated for service or on leave of absence beyond periods normally allowed, when not the result of occupational injuries, or in excess of statutory awards.

7. Expenses in connection with educational and recreational activities for the benefit of employees.

NOTE A: The cost of labor and related supplies and expenses of administrative and general employees who are only incidentally engaged in employee pension and benefit activities may be included in accounts 920 and 921, as appropriate.

NOTE B: Salaries paid to employees during periods of nonoccupational sickness may be charged to the appropriate labor account rather than to employee benefits.

927 Franchise requirements.

A. This account shall include payments to municipal or other governmental authorities, and the cost of materials, supplies and services furnished such authorities without reimbursement in compliance with franchise, ordinance, or similar requirements; provided, however, that the utility may charge to this account at regular tariff rates, instead of cost, gas service furnished without charge under provisions of franchises.

B. When no direct outlay is involved, concurrent credit for such charges shall be made to account 929, Duplicate Charges—Cr.

C. The account shall be maintained so as to readily reflect the amounts of cash outlays, utility service supplied without charge, and other items furnished without charge.

Note A: Franchise taxes shall not be charged to this account but to account 408. Taxes Other Than Income Taxes.

NOTE B: Any amount paid as initial consideration for a franchise running for more than one year shall be charged to account 302, Franchises and Consents.

Regulatory commission expenses.

A. This account shall include all expenses (except pay of regular employees only incidentally engaged in such work) properly includible in utility operating expenses, incurred by the utility in connection with formal cases before regulatory commissions, or other regulatory bodies, or cases in which such a body is a party, including payments made to a regulatory commission for fees assessed against the utility for pay and expenses of such commission, its officers, agents, and employees.

B. Amounts of regulatory commission expenses which by approval or direction of the Commission are to be spread over future periods shall be charged to account 183, Other Deferred Debits, and amortized by charges to this account.

C. The utility shall be prepared to show the cost of each formal case.

ITEMS

1. Salaries, fees, retainers, and expenses of counsel, solicitors, attorneys, accountants, engineers, clerks, attendants, witnesses, and others engaged in the prosecution of, or defense against petitions or complaints pre-sented to regulatory bodies, or in the valuation of property owned or used by the utility in connection with such cases.

2. Office supplies and expenses, payments to public service or other regulatory commissions, stationery and printing, traveling expenses, and other expenses incurred directly in connection with formal cases before regulatory commissions.

NOTE A: Exclude from this account and include in other appropriate operating ex-pense accounts, expenses incurred in the improvement of service, additional inspection, or rendering reports, which are made necessary by the rules and regulations, or orders, of regulatory bodies.

Note B: Do not include in this account amounts includible in account 302, Franchises and Consents, account 181, Unamortized Debt Discount and Expense, or account 214, Capital Stock Expense.

Duplicate charges-Cr.

This account shall include concurrent credits for charges which may be made to operating expenses or to other accounts for the use of gas service from its own supply. Include, also, offsetting credits for any other charges made to operating expenses for which there is no direct money outlay.

930 Miscellaneous general expenses.

This account shall include the cost of labor and expenses incurred in connection with the general management of the utility not provided for elsewhere.

Labor:

1. Miscellaneous labor not elsewhere provided for.

Expenses:

- 2. Industry association dues for company membership.
- 3. Contributions for conventions and meetings of the industry.
- 4.- Experimental and general research work for the industry.
 5. Communication service not chargeable
- to other accounts.
- 6. Trustee, registrar, and transfer agent fees and expenses.
 - 7. Stockholders meeting expenses.
 - 8. Dividend and other financial notices.
 - 9. Printing and mailing dividend checks.
 - 10. Directors' fees and expenses.
- 11. Publishing and distributing annual reports to stockholders.
- 12. Institutional or goodwill advertising.
 13. Public notices of financial, operating, and other data required by regulatory stat-

utes, not including, however, notices required in connection with security issues or acquisitions of property.

Rents.

This account shall include rents properly includible in utility operating expenses for the property of others used. occupied or operated in connection with the customer accounts, sales, and general administrative functions of the utility. (See operating expense instruction 2.)

Transportation expenses.

A. This account shall include the cost of labor, materials used and expenses incurred in the operation and maintenance of general transportation equipment of the utility.

B. This account may be used as a clearing account in which event the charges hereto shall be cleared by apportionment to the appropriate operating expense, gas plant, or other accounts on a basis which will distribute the expenses equitably. Credits to this account shall be made in such detail as to permit ready analysis.

- 1. Supervision.
- 2. Building service.
- 3. Care of grounds, including snow removal, cutting grass, etc.

- 4. Utility services.
- 5. Depreciation of transportation equipment.
- 6. Fuel and lubricants for vehicles (including sales and excise taxes thereon.)
- 7. Insurance on garage equipment and transportation equipment, including public liability and property damage.
- 8. Maintenance of transportation garage equipment.
- 9. Compensation of drivers, mechanics,
- clerks, and other garage employees.

 10. Rent of garage buildings and grounds, vehicles or equipment.
- 11. Replacement of tires, tubes, batteries, etc.
 - 12. Direct taxes, licenses, and permits.
- 13. Miscellaneous garage supplies, tools, and equipment.
- 14. Miscellaneous office supplies and expenses, printing, and stationery.
- 15. Transportation, meals, and incidental expenses.

Note A: The pay of employees driving trucks or other transportation equipment incidental to their regular occupation, shall not be included herein but charged directly to the appropriate expense or other account.

Note B: Transportation expenses applicable to construction shall not be included in operating expenses.

935 Maintenance of general plant.

- A. This account shall include the cost assignable to customer accounts, sales and administrative and general functions of labor, materials used and expenses incurred in the maintenance of property, the book cost of which is includible in account 390, Structures and Improvements, account 391, Office Furniture and Equipment, and other general equipment accounts (not including transportation equipment). (See operating expense instruction 1.)
- B. Maintenance expenses on office furniture and equipment used elsewhere than in general, commercial and sales offices shall be charged to the following accounts:

Manufactured gas production -----_ Account 706. Natural gas production and gathering _____ Account 719. Storage _____ Account 746 or 747. Transmission _____ Account 757. Distribution _____ Account 769. Merchandise and jobbing Account 416 or 915. Garages, shops, etc____ Appropriate eral expense or clearing account.

Note: Maintenance of plant included in other general equipment accounts shall be included herein unless charged to clearing accounts or to the particular functional maintenance expense accounts indicated by the use of the equipment.

[F.R. Doc. 60-7677; Filed, Aug. 16, 1960; 8:45 a.m.]

[18 CFR Part 204] [Docket No. R-187]

REVISION OF UNIFORM SYSTEM OF ACCOUNTS FOR CLASS D NAT-URAL GAS COMPANIES SUBJECT TO PROVISIONS OF NATURAL GAS ACT

Notice of Proposed Rulemaking

1. Notice is hereby given of proposed rulemaking in the above-entitled matter.

2. It is proposed to amend, effective January 1, 1961, Part 204—Application of Uniform System of Accounts to Class C and Class D Natural Gas Companies, of Subchapter F—Accounts, Natural Gas Act, of Chapter I—Federal Power Commission, Title 18—Conservation of Power, of the Code of Federal Regulations (CFR), to prescribe a revised Uniform System of Accounts Prescribed for Natural Gas Companies Subject to the Provisions of the Natural Gas Act (Class D), as set forth below.

3. Part 204, §§ 204.1-204.8, of said Title and Code correspond to, and appear at, pages 179-200 of the Commission's pamphlet publication of its Uniform System of Accounts Prescribed for Natural Gas Companies Subject to the Provisions of the Natural Gas Act, effective January 1, 1940, with amendments effective January 1, 1954, as amended by Order No. 203 issued May 29, 1958 (23 F.R. 4164, June 12, 1958). The aforesaid Uniform System of Accounts was prescribed by Commission Order No. 69 of November 3, 1939, effective January 1, 1940, and was contained in the codification and reissuance of the Commission's general rules promulgated by Commission Order No. 141, December 11, 1947, effective January 1, 1948 (12 F.R. 8461). The proposed revised System of Accounts does not follow the numbering system required for the Code of Federal Regulations but follows the numbering system (accounts, instructions, definitions, etc.) used in the Commission's pamphlet edition referred to above.

4. Important developments in the natural gas industry since the adoption in 1939 of the Uniform System of Accounts effective January 1, 1940, and the experience of the Commission over the past 21 years indicate the need for the System of Accounts herein proposed.

5. Heretofore, the Commission has not had a separately issued Uniform System of Accounts for Class D Natural Gas Companies, as such. The accounting requirements presently effective for small utilities (Class C and Class D), consist of an abridgment of the accounts for large natural gas companies by means of account charts appearing as Appendix II of the pamphlet version of the Uniform System of Accounts. In these account charts the condensed accounts applicable to small utilities are indicated by bracketing related account titles applicable to Class A and Class B utilities. The result is that small utilities have had to work with an inordinate amount of

textual materials designed for larger utilities. The objective of the proposed System of Accounts is to provide these smaller utilities with a simplified System of Accounts appropriate for the magnitude of their operations.

6. The proposed System of Accounts set forth below reflects the basic principles found in this Commission's recently issued revised Uniform System of Accounts for Class A and Class B Natural Gas Companies Subject to the Provisions of the Natural Gas Act, Docket No. R-174. The proposed System of Accounts introduces the following important improvements in this Commission's small utility accounting requirements:

a. New size classifications for gas utilities;

b. Simple plant and expense classifications for manufactured gas;

c. Certain necessary new accounts;

d. New arrangement of balance sheet and certain other accounts to make them more informative;

e. A reduced number of expense account classifications, mainly but not entirely by the discontinuance of segregations of numerous functional accounts as to labor and other expenses;

f. Expanded items lists of account texts and clearer description of such items according to their functional nature, to facilitate use and consistency of respective account classifications; and

g. Restatements of the accounting aspects of certain accounting interpretations issued in the past.

7. The System of Accounts herein proposed conforms basically to that for which a resolution was adopted at the convention of the National Association of Railroad and Utility Commissioners (NARUC) held in Phoenix, Arizona, on November 17, 1958, with a few modifications

8. The System of Accounts proposed for adoption herein deviates from the NARUC system of accounts only to the extent necessary to make it more suitable to this Commission's accounting responsibilities but such deviations do not conflict with the basic principles of the NARUC system. The NARUC system of accounts gives consideration to the fact that the State commissions, in addition to jurisdiction over gas utility operations, ordinarily have jurisdiction over electric and water utility operations of joint utilities. Consequently, the balance sheet classifications for plant and accumulated provisions for depreciation, depletion and amortization (reserves) are identified in the NARUC system as "utility" accounts. In the FPC System of Accounts these balance sheet accounts and related instructions are directed to "natural gas" operations and summary accounts provided for the plant and "reserves" of other utility departments. Likewise, in the FPC version utility operating income accounts are identified with the natural gas department and a special summary account provided for the operating income of other, non-gas, utility departments. Similar differences exist between present

FPC and NARUC Systems of Accounts. The Commission's present report form, however, is coordinated for joint use by this and the State commissions and necessary summary information of other utility department operations is therein disclosed. It is expected that this reporting arrangement will continue.

The proposed FPC System of Accounts adheres to the NARUC system of accounts, except as explained above and except for a few instances of notations in account texts and instructions which are of special significance to the FPC. These exceptions which do not disturb the basic conformity with the NARUC system of accounts, are as follows:

a. Definition 5, which defines cost for the purpose of the Uniform System of Accounts, includes a qualifying phrase to assure caution in the manner of application of definition 5 to merger and pooling of interest transactions.

b. Instructions are included for Accumulated Deferred Income Taxes, in the FPC's proposed System of Accounts whereas no comparable instructions are provided by the NARUC System of Accounts.

c. Account 403, Depreciation & Depletion Expense, revises Paragraph A in the FPC's proposed System of Accounts because the FPC instruction is addressed to natural gas companies, whereas the NARUC system specified that the account be subdivided by utility departments.

9. The Commission recognizes that some burden and expense will have to be borne by the companies affected in connection with the transition from the present accounting requirements to the revised System of Accounts.

This problem was, however, kept in mind by the NARUC Committee on Statistics and Accounts which worked on the revision as well as by the staff of this Commission which participated in the work of the NARUC Committee. The Commission is of the opinion that the physical burden and monetary cost of the changeover is of minor importance when viewed in relation to the future benefits of the new System of Accounts.

10. The appended proposed Uniform System of Accounts Prescribed for Natural Gas Companies Subject to the Provisions of the Natural Gas Act (Class D), is proposed to be issued under the authority granted to the Federal Power Commission by the Natural Gas Act, as amended, particularly Sections 8, 10, and 16 thereof (52 Stat. 825, 826, and 830; 15 U.S.C. 717g, 717i, and 717o).

11. Any interested person may submit to the Federal Power Commission not later than September 19, 1960, data, views, and comments in writing concerning the proposed revised System of Accounts. An original and nine copies should be filed of any such submittals. The Commission will consider these written submittals before acting upon the proposed System of Accounts.

[SEAL] JOSEPH H. GUTRIDE, Secretary.

AUGUST 12, 1960.

UNIFORM SYSTEM OF ACCOUNTS PRESCRIBED FOR CLASS D NAT-**URAL GAS COMPANIES SUBJECT** TO THE PROVISIONS OF THE NAT-**URAL GAS ACT**

Definitions

When used in this system of accounts: 1. "Accounts" means the accounts prescribed in this system of accounts.

- 2. "Amortization" means the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.
- 3. "Book cost" means the amount at which property is recorded in these accounts without deduction of related provisions for accrued depreciation, amortization or for other purposes.
 4. "Commission," means the Federal
- Power Commission.
- 5. "Cost" means the amount of money actually paid for property or services. When the consideration given is other than cash in a purchase and sale transaction, as distinguished from a transaction involving the issuance of common stock in a merger or a pooling of interest, the value of such consideration shall be determined on a cash basis.
- 6. "Cost of removal" means the cost of demolishing, dismantling, tearing down or otherwise removing gas plant, including the cost of transportation and handling incidental thereto.

7a. "Depletion," as applied to natural gas producing land and land rights, means the loss in service value incurred in connection with the exhaustion of the natural resource in the course of service.

- 7b. "Depreciation," as applied to depreciable gas plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of gas plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities, and, in the case of natural gas companies, the exhaustion of natural resources.
- 8. "Investment advances" means advances, represented by notes or by book accounts only, with respect to which it is mutually agreed or intended between the creditor and debtor that they shall be settled by the issuance of securities or shall not be subject to current settlement.
- 9. "Minor items of property" means the associated parts or items of which retirement units are composed.
- 10. "Natural gas" means either natural gas unmixed, or any mixture of natural and artificial gas.
- 11. "Natural gas company" means a person engaged in the transportation of natural gas in interstate commerce, or the sale in interstate commerce of such gas for resale.
- 12. "Net salvage value" means the salvage value of property retired less the cost of removal.

- 13. "Original cost." as applied to gas plant, means the cost of such property to the person first devoting it to public service.
- 14. "Property retired," as applied to gas plant, means property which has been removed, sold, abandoned, destroyed, or which for any cause has been withdrawn from service.
- "replacement." 15. "Replacing" or when not otherwise indicated in the context, means the construction or installation of gas plant in place of property retired, together with the removal of the property retired.
- 16. "Retirement units" means those items of gas plant which, when retired. with or without replacement, are accounted for by crediting the book cost thereof to the gas plant account in which included.
- 17. "Salvage value" means the amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale; or, if retained, the amount at which the material recoverable is chargeable to materials and supplies, or other appropriate account.
- 18. "Service life" means the time between the date gas plant is includible in gas plant in service, or gas plant leased to others, and the date of its retirement. If depreciation is accounted for on a production basis rather than on a time basis, then service life should be measured in terms of the appropriate unit of production.
- 19. "Service value" means the difference between original cost and net salvage value of gas plant.
- 20. "Utility," as used herein and when not otherwise indicated in the context, means any natural gas company to which this system of accounts is applicable.

General Instructions

- 1. Classification of Utilities.
- A. For the purpose of applying systems of accounts prescribed by the Commission, natural gas companies are divided into four classes as follows:

Class A. Natural gas companies having annual gas operating revenues of \$2,500,-000 or more.

Class B. Natural gas companies having annual gas operating revenues of \$1,000,-000 or more but less than \$2,500,000.

Class C. Natural gas companies having annual gas operating revenues of \$150,-000 or more but less than \$1,000,000.

Class D. Natural gas companies having annual gas operating revenues of \$25,000 or more but less than \$150,000.

- B. This system of accounts applies to Class D utilities. Those applicable to Classes A and B and to Class C utilities are issued separately.
- C. The class to which any utility belongs shall originally be determined by the average of its annual gas operating revenues for the last three consecutive years. Subsequent changes in classification shall be made when the annual gas operating revenues for each of the three immediately preceding years shall exceed the upper limit, or be less than the lower limit, of the annual gas operating revenues of the classification previously applicable to the utility.

- D. Any utility may, at its option, adopt the system of accounts prescribed by the Commission for any larger class of utilities.
 - 2. Records.
- A. Each utility shall keep its books of account, and all other books, records, and memoranda which support the entries in such books of account so as to be able to furnish readily full information as to any item included in any account. Each entry shall be supported by such detailed information as will permit a ready identification, analysis, and verification of all facts relevant thereto.
- B. In addition to prescribed accounts. clearing accounts, temporary or experimental accounts, and subdivisions of any account, may be kept provided the integrity of the prescribed accounts is not impaired.
- C. Each utility shall keep its books on either a monthly or quarterly basis. Each utility shall close its books at the end of each calendar year unless otherwise authorized by the Commission.
 - 3. Item Lists.

Lists of "items" appearing in the texts of the accounts or elsewhere herein are for the purpose of more clearly indicating the application of the prescribed accounting. The lists are intended to be representative, but not exhaustive. The appearance of an item in a list warrants the inclusion of the item in the account mentioned only when the text of the account also indicates inclusion inasmuch as the same item frequently appears in more than one list. The proper entry in each instance must be determined by the texts of the accounts. In cases of doubtful interpretation, the matter shall be submitted to the Commission for decision.

4. Distribution of Pay and Expenses of Employees.

The charges to gas plant, operating expenses and other accounts for services and expenses of employees engaged in activities chargeable to various accounts, such as construction, maintenance, and operations, shall be based upon the actual time engaged in the respective classes of work, or in case that method is impracticable, upon the basis of a study of the time actually engaged during a representative period.

5. Gas Well Records.

Each utility with natural gas operations shall maintain operating or accounting records for each well showing (a) acreage on which drilled, (b) dates of drilling period, (c) cost of drilling, (d) depth of well, (e) particulars and depth of each stratum drilled through, (f) geological formation from which gas obtained. (g) initial rock pressure and open flow capacity, (h) size of casing used and the lengths of each size, (i) total cost of well as recorded in gas plant accounts, (j) date well abandoned, for wells once productive, (k) date transferred to underground storage use, for wells converted to storage use, and (1) date drilling discontinued, for wells determined to be nonproductive. The foregoing data, as appropriate, shall also be maintained for each subsequent change in the depth of each well.

6. Functions and Accounts Not Included.

A. If the utility is a Class D utility for the purposes of this system of accounts but derives the major portions of its revenues from the extraction of gasoline or other products from natural gas, it shall incorporate in its accounting classifications the accounts of the Class C system of accounts for these functions as follows:

Plant: Accounts 340 to 347, as appropriate. Revenues: Account 490, Sales of Products Extracted from Natural Gas.

Expenses: Account 712, Extracted Products Supplies and Expenses, and Account 718, Maintenance of Products Extraction Plant.

B. If the utility has underground gas storage operations but is a Class D utility for the purposes of this system of accounts, it shall account for the inventory of gas stored underground and the inputs to and withdrawals from storage in accordance with the provisions of the accounts relating thereto of the Class C system of accounts. It is not required, however, that Class D utilities utilize the Class C plant and expense accounts for underground storage operations unless underground gas storage is a major activity or unless required by the Commission for other reasons.

C. If the utility contemplates or is following accounting for deferred taxes on income it shall use the accounts for deferred taxes on income prescribed for Classes A and B or Class C natural gas companies and comply with the related instructions and account texts of such Class A and B or Class C Uniform System of Accounts as though such accounts and instructions were a part of this system of accounts.

Gas Plant Instructions

1. Gas Plant To Be Recorded at Cost.

A. All amounts included in the accounts for gas plant acquired as an operating unit or system, except as otherwise provided in the texts of the intangible plant accounts, shall be stated at the cost incurred by the person who first devoted the property to utility service. All other gas plants shall be included in the accounts at the cost incurred by the utility. Where the term "cost" is used in the detailed plant accounts, it shall have the meaning stated in this paragraph.

B. When the consideration given for property is other than cash, the value of such consideration shall be determined on a cash basis. (See, however, Definition 5.) In the entry recording such transaction, the actual consideration shall be described with sufficient particularity to identify it. The utility shall be prepared to furnish the Commission the particulars of its determination of the cash value of the consideration if other than cash.

C. When property is purchased under a plan involving deferred payments, no charge shall be made to the gas plant accounts for interest, insurance, or other expenditures occasioned solely by such form of payment.

D. Gas plant contributed to the utility or constructed by it from contributions to it of cash or its equivalent shall be charged to the gas plant accounts at cost of construction, estimated if not known. There shall be credited to the accounts

for accumulated depreciation, depletion, and amortization the estimated amount of depreciation, depletion, and amortization applicable to the property at the time of its contribution to the utility. The difference between the amounts included in the gas plant accounts and the accumulated depreciation, depletion, and amortization shall be credited to account 271, Contributions in Aid of Construction.

2. Components of Construction Cost.

The cost of construction of property chargeable to the gas plant accounts shall include, where applicable, the cost of labor, materials and supplies, transportation, work done by others for the utility, injuries and damages incurred in construction work, privileges and permits, special machine service, interest during construction and such portion of general engineering, administrative salaries and expenses, insurance, taxes and other analogous items as may be properly includible in construction costs.

3. Land and Land Rights.

A. The accounts for land and land rights shall include the cost of land owned in fee by the utility and rights, interests, and privileges held by the utility in land owned by others, such as leaseholds, easements, rights-of-way, natural gas rights, and other like interests in land.

B. Where special assessments for public improvements provide for deferred payments, the full amount of the assessments shall be charged to the appropriate land account and the unpaid balance shall be carried in an appropriate liability account. Interest on unpaid balances shall be charged to the appropriate interest account. If any part of the cost of public improvements is included in the general tax levy, the amount thereof shall be charged to the appropriate tax account.

C. The cost of buildings and other improvements (other than public improvements) shall not be included in the land accounts. If at the time of acquisition of an interest in land such interest extends to buildings or other improvements (other than public improvements); which are then devoted to utility operations, the land and improvements shall be separately appraised and the cost allocated to land and buildings or improvements on the basis of the appraisals. If the improvements are removed or wrecked without being used in operations, the cost of removing or wrecking shall be charged and the salvage credited to the account in which the cost of the land is recorded.

D. When the purchase of land for gas operations requires the purchase of more land than needed for such purposes, the charge to the specific land account shall be based upon the cost of the land purchased, less the fair market value of that portion of the land which is not to be used in utility operations. The portion of the cost measured by the fair market value of the land not to be used shall be included in account 394, Gas Plant Held for Future Use, or account 121, Non-utility Property, as appropriate. Regarding land and land rights held for the production of natural gas, account 100, Gas Plant, shall include (1) the cost of

the lands owned in fee upon which producing natural gas wells are located or lands owned in fee which are being drained through the operation by the utility of wells on other land, and (2) the first cost of lands held under lease upon which the utility pays royalties for the natural gas obtained therefrom. The cost of all other land and land rights held for the production of natural gas under a definite plan for such use shall be included in account 394, Gas Plant Held for Future Use.

Note: In addition to the accounting records prescribed herein, supplemental records of land and land rights held for future use shall be kept in such manner as to permit the segregation within a reasonable time of the land and land rights constituting (1) productive but nonproducing fields. (2) unproven or undeveloped fields, and (3) storage fields, and to show the following data with respect to each natural gas lease, regardless of the accounting treatment accorded the lease costs: (a) name of lessor, (b) location of leasehold and number of other identification assigned thereto, (c) date and period of lease agreement, (d) first cost of lease including details of the elements of such cost, (e) annual rental provisions, (f) date and cost of drilling, (g) date gas determined to exist, (h) date of completion of first well drilled by the utility in each pool of gas, (i) royalty provisions, (1) amortization and depletion provisions, and (k) date of abandonment of lease.

E. Provision shall be made for amortizing amounts carried in the accounts for: limited-term interests in land, so as to apportion equitably the cost of each interest over the life thereof. For the purposes of amortization of natural gas rights, separate interests in land which comprise an interest in a production area may be grouped to form a depletion unit. (See account 403, Depreciation and Depletion Expense, and account 110, Accumulated Provision for Depreciation, Depletion and Amortization of Utility Plant, for the accounting for depletion of producing natural gas lands and land rights. See also account 722, Abandoned Leases, for the accounting for abandonments of natural gas leases which have never been productive.)

4. Structures and Improvements.

A. The accounts for structures and improvements shall include the cost of all buildings and facilities to house, support, or safeguard property or persons, including all fixtures permanently attached to and made a part of buildings and which cannot be removed therefrom without cutting into the walls, ceilings, or floors, or without in some way impairing the buildings, and improvements of a permanent character on or to land.

B. The cost of specially provided foundations not intended to outlast the machinery or apparatus for which provided, and the cost of angle irons, castings, etc., installed at the base of any item of equipment, shall be charged to the same account as the cost of the machinery, apparatus or equipment.

C. Where furnaces and boilers are used primarily for furnishing steam for some particular department and only incidentally for furnishing steam for heating a building and operating the equipment therein, the entire cost of such furnaces and boilers shall be

charged to the appropriate plant account, and no part to the building account.

5. Equipment.

A. The cost of equipment chargeable to the gas plant accounts, unless otherwise indicated in the text of an equipment account, includes the net purchase price thereof, sales taxes, investigation and inspection expenses necessary to such purchases, expenses of transportation when borne by the utility, labor employed, materials and supplies consumed. and expenses incurred by the utility in unloading and placing the equipment in readiness to operate.

B. Exclude from equipment accounts hand and other portable tools, which are likely to be lost or stolen or which have relatively small value or short life, unless the correctness of the accounting therefor as gas plant is verified by current inventories. Special tools acquired and included in the purchase price of equipment shall be included in the appropriate plant account. Portable drills and similar tool equipment when used in connection with the operation and maintenance of a particular plant or department, such as production, transmission, distribution, etc., or in "stores," shall be charged to the plant account appropriate for their use.

C. The equipment accounts shall include angle irons and similar items which are installed at the base of an item of equipment, but piers and foundations which are designed to be as permanent as the buildings which house the equipment, or which are constructed as a part of the building and which cannot be removed without cutting into the walls. ceilings, or floors, or without in some way impairing the building, shall be included

in the building accounts. 6. Gas Plant Retired.

A. When depreciable gas plant is abandoned, destroyed, withdrawn or otherwise retired from service for any cause, the book cost of the plant shall be deducted from the gas plant accounts and charged to accumulated provision for depreciation. The cost of removing such plant (except customers' meters and house regulators) shall be charged to accumulated provision for depreciation and the amount received for any materials recovered and sold, or salvage value if returned to stores, shall be credited to the accumulated provision for depreciation. It is not intended that the above procedure shall be followed in the replacement of minor items of plant, the replacement of which is charged to operating expense accounts.

B. The book cost of land retired shall be credited to the appropriate land account. If the land is sold, the difference between the book cost (less any accumulated provision for depreciation, depletion, or amortization therefor which has been authorized and provided) and the sale price of the land (less commissions and other expenses of making the sale) shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, as appropriate. If the land is not used in utility service but is retained by the utility, the book cost shall be charged to account 394, Gas Plant Held for Future Use, or account 121, Nonutility Property,

as appropriate.

C. The book cost of gas plant retired shall be the amount at which such property is included in the gas plant accounts, including all components of construction costs. The book cost shall be determined from the utility's records and, if this cannot be done, it shall be estimated. When it is impracticable to determine the book cost of each unit, due to the relatively large number or small cost thereof, an appropriate average book cost of the units, with due allowance for any differences in size and character, shall be used as the book cost of the units retired.

Balance Sheet Accounts ASSETS AND OTHER DEBITS

1. UTILITY PLANT

100 Gas plant

Accumulated provision for deprecia-110 tion, depletion, and amortization of gas plant.

118 Other utility plant.

Accumulated provision for depreciation and amortization of other utility plant.

2. OTHER PROPERTY AND INVESTMENTS

121 Nonutility property.

Accumulated provision for depreciation and amortization of nonutility property.

124 Other investments.

125 Special funds.

3. CURRENT AND ACCRUED ASSETS

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Temporary cash investments.

141 Notes receivable.

142 Customer accounts receivable.

Other accounts receivable. 143

Accumulated provision for uncollectible 144 accounts-Cr.

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165 Prepayments.

170 Other current and accrued assets.

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Other deferred debits. 183

LIABILITIES AND OTHER CREDITS

5. PROPRIETARY CAPITAL

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7. CURRENT AND ACCRUED LIABILITIES

Notes payable.

Accounts payable.

Customer deposits. Taxes accrued. 236

237 Interest accrued.

Other current and accrued liabilities.

8. DEFERRED CREDITS

251 Unamortized premium on debt.

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253 Other deferred credits.

9. OPERATING RESERVES

Property insurance reserve.

Miscellaneous operating reserves.

10. CONTRIBUTIONS IN AID OF CONSTRUCTION

271 Contributions in aid of construction.

Balance Sheet Accounts

ASSETS AND OTHER DEBITS

1. UTILITY PLANT

100 Gas plant.

A. This account shall include the book amount of gas plant, included in the plant accounts 301 to 397, inclusive, prescribed herein, and having an expectation of life in service of more than one year from date of installation, including such property owned by the utility but held by nominees.

B. The cost of additions to and betterments of property leased from others, which are includible in this account, shall be maintained in subdivisions separate and distinct from those relating to

owned property.

Accumulated provision for depreciation, depletion and amortization of gas plant.

A. This account shall be credited with the following:

(1) Amounts charged to account 403, Depreciation and Depletion Expense, to account 404, Amortization Expense, to account 413, Expense of Gas Plant Leased to Others, to account 416, Costs and Expenses of Merchandising, Jobbing, and Contract Work, or to clearing accounts for currently accruing depreciation, depletion, or amortization of plant.

(2) Amounts charged to account 435. Miscellaneous Debits to Surplus, for past accrued depreciation, depletion, or

amortization.

(3) Amounts of depreciation, depletion, or amortization, applicable to gas properties acquired as operating units or systems.

(4) Amounts chargeable to account 182, Extraordinary Property Losses, when authorized by Commission.

(5) Amounts of depreciation, depletion, or amortization applicable to gas

plant donated to the utility.

B. At the time of retirement of gas plant, this account shall be charged with the book cost of the property retired and the cost of removal, and shall be credited with the salvage value and any other amounts recovered, such as insurance.

C. The credits and debits to this account shall be so kept as to show separately: (1) The amount of accrual for depreciation, depletion, or amortization. (2) the book cost of property retired, (3) cost of removal, (4) salvage, and (5) other items, including recoveries from insurance.

D. The utility is restricted in its use of the accumulated provision for depreciation, depletion, and amortization to the purposes set forth above. It shall not transfer any portion of this account to surplus or make any other use thereof without authorization by the Commission.

E. Subsidiary records shall be maintained in accordance with the provisions of this account for accumulated deple-

118 Other utility plant.

This account shall include the balance in accounts for utility plant, other than gas plant, such as electric, railway, etc.

Accumulated provision for depreciation and amortization of other utility plant.

This account shall include the accumulated provision for depreciation and amortization applicable to utility property other than gas plant.

2. OTHER PROPERTY AND INVESTMENTS

121 Nonutility property.

This account shall include the book cost of land, structures, equipment or other tangible or intangible property owned by the utility, but not used in utility service and not properly includible in account 394, Gas Plant Held for Future Use.

Accumulated provision for depreciation and amortization of nonutility property.

This account shall include the accumulated provision for depreciation and amortization applicable to nonutility property.

124 Other investments.

A. This account shall include the book cost of investments in securities issued or assumed by other companies, investment advances to such companies, and any investments not accounted for elsewhere. Include, also, the off-setting entry to the recording of amortization of discount or premium on interest-bearing investments owned by the utility. (See account 419, Interest and Dividend Income.)

B. The records shall be maintained in such manner as to show the amount of each investment and the investment advances to each person.

Special funds.

This account shall include the amount of cash and book cost of investments which have been segregated in special funds for bond retirements, property additions, and replacements, insurance, employees' pensions, savings, relief, hospital, and other purposes not provided for elsewhere. A separate account, with appropriate title, shall be kept for each fund.

Note: Amounts deposited with a trustee under the terms of an irrevocable trust agreement for pensions or other employees' benefits shall not be included in this account.

3. CURRENT AND ACCRUED ASSETS

Cash and working funds.

This account shall include the amount of cash on hand and in banks and cash advanced to officers, agents, employees, and others as petty cash or working funds. Special cash deposits for payment of interest, dividends or other special purposes shall be included in this account in separate subdivisions which shall specify the purpose for which each such special deposit is made.

PROPOSED RULE MAKING

Note: Special deposits for more than one year, which are not offset by current liabili-ties, shall not be charged to this account but to account 125, Special Funds.

Temporary cash investments.

A. This account shall include the book cost of investments, such as demand and time loans, bankers' acceptances, United States Treasury certificates, marketable securities, and other similar investments, acquired for the purpose of temporarily investing cash.

B. This account shall be so maintained as to show separately temporary cash investments in securities of associated companies and of others. Records shall be kept of any pledged investments.

141 Notes receivable.

This account shall include the book cost, not includible elsewhere, of all collectible obligations in the form of notes receivable and similar evidences (except interest coupons) of money due on demand or within one year from the date of issue..

Note: The face amount of notes receivable, discounted, sold, or transferred without releasing the utility from liability as endorser thereon, shall be credited to a separate subdivision of this account and appropriate disclosure shall be made in financial statements of any contingent liability arising from such transactions.

142 Customer accounts receivable.

A. This account shall include amounts due from customers for utility service. and for merchandising, jobbing, and contract work.

B. This account shall be maintained so as to permit ready segregation of the amounts due for merchandising, jobbing, and contract work.

Other accounts receivable.

A. This account shall include amounts due the utility upon open accounts, other than amounts due from customers for utility services and merchandising, jobbing, and contract work.

B. This account shall be maintained so as to show separately amounts due on subscriptions to capital stock and from officers and employees, but the account shall not include amounts advanced to officers or others as working funds.

Accumulated provision for uncollectible accounts-Cr.

A. This account shall be credited with amounts provided for losses on accounts receivable which may become uncollectible, and also with collections on accounts previously charged hereto. Concurrent charges shall be made to account 778, Uncollectible Accounts, for amounts applicable to utility operations, and to corresponding accounts for other operations. Records shall be maintained so as to show the writeoffs of accounts receivable for each utility department.

B. This account shall be subdivided to show the provision applicable to the following classes of accounts receivable:

Utility customers.

Merchandising, jobbing, and contract work. Officers and employees.

Other.

NOTE A: Accretions to this account shall not be made in excess of a reasonable provi-

sion against losses of the character provided for.

NOTE B: If provisions for uncollectible notes receivable are necessary, separate subaccounts therefor shall be established under account 141. Notes Receivable.

150 Materials and supplies.

A. This account shall include the cost of fuel on hand and unapplied materials and supplies (except meters and house regulators). It shall include also the book cost of materials recovered in connection with construction, maintenance or the retirement of property, such materials being credited to construction. maintenance, or accumulated depreciation provision, respectively, and included herein as follows:

(1) Reusable materials consisting of large individual items shall be included in this account at original cost, estimated if not known. The cost of repairing such items shall be charged to the maintenance account appropriate for the pre-

vious use.

(2) Reusable materials consisting of relatively small items, the identity of which (from the date of original installation to the final abandonment or sale thereof) cannot be ascertained without undue refinement in accounting, shall be included in this account at current prices new for such items. The cost of repairing such items shall be charged to the appropriate expense account as indicated by previous use.

(3) Scrap and nonusable materials included in this account shall be carried at the estimated net amount realizable therefrom. The difference between the amounts realized for scrap and nonusable materials sold and the net amount at which the materials were carried in this account, as far as practicable, shall be adjusted to the accounts credited when the materials were charged to this account.

B. Materials and supplies issued shall be credited hereto and charged to the appropriate construction, operating expense, or other account on the basis of a unit price determined by the use of cumulative-average, first-in-first-out, or such other method of inventory accounting as conforms with accepted accounting standards consistently applied.

C. Inventories of materials, supplies, fuel, etc., shall be taken at least annually and the necessary adjustments shall be made to bring this account into agreement with the actual inventories. In effecting the adjustments, large differences which can be assigned to important classes of materials shall be equitably adjusted among the accounts to which such classes of materials have been charged since the previous inventory. Other differences shall be equitably apportioned among the accounts to which materials have been charged.

ITEMS

1. Invoice price of materials less cash or other discounts.

2. Freight, switching or other transporta-tion charges when practicable to include as part of the cost of particular materials to which they relate.

3. Customs duties and excise taxes.

4. Costs of inspection and special tests prior to acceptance.

5. Insurance and other directly assignable charges.

NOTE A: Where expenses applicable to materials purchased cannot be directly assigned to particular purchases, they may be charged to a stores expense clearing account and distributed therefrom to the appropriate account.

NOTE B: When materials and supplies are purchased for immediate use, they need not be carried through this account but may be charged directly to the appropriate gas plant or expense account.

165 Prepayments.

A. This account shall include the amount of rents, taxes, insurance, interest and like disbursements made in advance of the period to which they apply. As the periods covered by such prepayments expire, credit this account and charge the proper operating expense or other account with the amount applicable to the period.

B. This account shall be kept or supported in such manner as to disclose the amount of each class of prepayments.

170 Other current and accrued assets.

This account shall include the book cost of all other current and accrued assets, appropriately designated and supported so as to show the nature of each asset included herein.

4. DEFERRED DEBITS

181 Unamortized debt discount and expense.

A. This account shall include the total of the unamortized balance of discount and expense for all classes of long-term debt.

B. The discount and expenses shall be amortized over the life of the respective issues under a plan which will distribute the amounts equitably over the life of the securities. The amortization shall be charged to account 428, Amortization of Debt Discount and Expense. The utility may, however, accelerate the writing off of discount and expense where the amounts are insignificant.

182 Extraordinary property losses.

A. When authorized or directed by the Commission, this account shall include extraordinary losses on property abandoned or otherwise retired from service which are not provided for by the accumulated provisions for depreciation, depletion, or amortization and which could not reasonably have been foreseen and provided for, and extraordinary losses, such as unforeseen damages to property, which could not reasonably have been anticipated and which are not covered by insurance or other provisions.

B. The entire cost, less net salvage, of depreciable property retired shall be charged to accumulated provision for depreciation. If all, or a portion of the loss is to be included in this account, the accumulated provision for depreciation shall then be credited and this account charged with the amount properly chargeable hereto.

C. Application to the Commission for permission to use this account shall be accompanied by a statement giving a complete explanation with respect to the items which it is proposed to include herein, the period over which, and the

accounts to which it is proposed to write off the charges, and other pertinent information.

183 Other deferred debits.

A. This account shall include the following classes of items:

(1) Expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of projects under contemplation. If construction results, this account shall be credited with the amount applicable thereto and the appropriate plant accounts shall be charged with an amount which does not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to plant. If the work is abandoned, the charge shall be to account 435, Miscellaneous Debits to Surplus, or to the appropriate operating expense account.

(2) Expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of acquiring land and land rights to provide a future supply of natural gas. If such land or land rights are acquired, this account shall be credited and the appropriate gas plant account (see gas plant instruction 3) charged with the amount of expenditures related to such acquisition. Such preliminary survey and investigation charges transferred to gas plant shall not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to gas plant. If the project is abandoned, the expenditures related thereto shall be charged to account 723, Other Exploration.

(3) Undistributed balances in clearing accounts at the date of the balance sheet. Balances in clearing accounts shall be substantially cleared not later than the end of the calendar year unless items held therein relate to a future period.

(4) Balances representing expenditures for work in progress other than on gas plant. This includes jobbing and contract work in progress.

(5) Other debit balances, the proper final disposition of which is uncertain, and unusual or extraordinary expenses, not included in other accounts, which are in process of being written off.

B. The records supporting the entries to this account shall be so kept that the utility can furnish full information as to each deferred debit included herein. The records supporting entries for pre-liminary natural gas surveys and investigations shall be so kept that the utility can furnish, for each investigation, complete information as to identification and location of the territory investigated, the number or other identification assigned to the land tract or leasehold acquired, and the nature and respective amounts of the charges.

5. PROPRIETARY CAPITAL

201 Common capital stock.

204 Preferred capital stock.

A. These accounts shall include the par value or the stated value of stock without par value if such stock has a

stated value, and, if not, the cash value of the consideration received for such nonpar stock, of each class of capital stock actually issued, including the par or stated value of such capital stock in account 217, Reacquired Capital Stock.

B. When the actual cash value of the consideration received is more or less than the par or stated value of any stock having a par or stated value, the difference shall be credited or debited, as the case may be, to the premium or discount account for the particular class and series.

C. When capital stock is retired, these accounts shall be charged with the amount at which such stock is carried herein.

D. A separate ledger account, with a descriptive title, shall be maintained for each class and series of stock. The supporting records shall show the shares nominally issued, actually issued, and nominally outstanding.

Note: When a levy or assessment, except a call for payment on subscriptions, is made against holders of capital stock, the amount collected upon such levy or assessment shall be credited to account 207, Other Paid-In Capital; provided, however, that the credit shall be made to account 213, Discount on Capital Stock, to the extent of any remaining balance of discount on the issue of stock.

207 Other paid-in capital.

This account shall include the balance of all other credits for paid-in capital not includible in the capital stock accounts, and shall be kept so as to show the source of the credits includible herein.

ITEMS

1. Premium received on original issues of capital stock.

 Donations received from stockholders or reduction of debt of the utility, and the cash value of other assets received as a donation.

3. Reduction in par or stated value of capital stock.

4. Gain on resale or cancellation of reacquired capital stock.

5. Miscellaneous paid-in capital.

Note: Premium on capital stock shall not be set off against expenses. Further, a premium received on an issue of a certain class or series of stock shall not be set off against expense of another issue of the same class or series.

212 Installments received on capital

A. This account shall include in a separate subdivision for each class and series of capital stock the amount of installments received on capital stock on a partial or installment payment plan for subscribers who are not bound by legally enforceable subscription contracts.

B. As subscriptions are paid in full and certificates issued, this account shall be charged and the appropriate capital stock account credited with the par or stated value of such stock. Any discount or premium on an original issue shall be included in the appropriate discount or premium account.

213 Discount on capital stock.

A. This account shall include in a separate subdivision for each class and series of capital stock all discount on the original issuance and sale of capital

stock, including additional capital stock of a particular class or series as well as first issues.

- B. When capital stock which has been actually issued is retired, the amount in this account applicable to the shares retired shall be written off to account 207, Other Paid-In Capital, provided, however, that the amount shall be charged to account 435, Miscellaneous Debits to Surplus, to the extent that it exceeds the balance in account 207.
- C. The utility may amortize the balance in this account by charges to account 425, Miscellaneous Amortization, or it may write off capital stock discount in whole or in part to account 435, Miscellaneous Debits to Surplus.

214 Capital stock expense.

- A. This account shall include in a separate subdivision for each class and series of stock all commissions and expenses incurred in connection with the original issuance and sale of capital stock, including additional capital stock of a particular class or series as well as first issues. Expenses applicable to capital stock shall not be deducted from premium on capital stock.
- B. When capital stock which has been actually issued by the utility is retired, the amount in this account applicable to the shares retired shall be written off to account 207, Other Paid-In Capital, to the extent of gains on resale or cancellation of reacquired stock includible therein: *Provided, however*, That the amount shall be charged to account 435, Miscellaneous Debits to Surplus, to the extent that it exceeds the balance in account 207, from such source.
- C. The utility may amortize the balance in this account by systematic charges to account 425, Miscellaneous Amortization, or it may write off capital stock expense in whole or in part by charges to account 435, Miscellaneous Debits to Surplus.

Note: Expenses in connection with the reacquisition or resale of the utility's capital stock shall not be included herein.

215 Appropriated earned surplus.

This account shall include the amount of earned surplus which has been appropriated or set aside for specific purposes. Separate subaccounts shall be maintained under such titles as will designate the purpose for which each appropriation was made.

216 Unappropriated earned surplus.

This account shall include the balance, either debit or credit, of unappropriated surplus arising from earnings. It shall not include items includible in any subaccount of account 207, Other Paid-In Capital.

217 Reacquired capital stock.

A. This account shall include in a separate subdivision for each class and series of capital stock, the cost of capital stock actually issued by the utility and reacquired by it and not retired or canceled, except, however, stock which is held by trustees in sinking or other funds.

B. When reacquired capital stock is retired or canceled, the difference be-

tween its cost, including commissions and expenses paid in connection with the reacquisition, and its par or stated value plus any premium and less any discount and expenses applicable to the shares retired, shall be debited or credited, as appropriate, to account 207, Other Paid-In Capital: Provided, however, That debits shall be charged to account 435, Miscellaneous Debits to Surplus, to the extent that they exceed the balance of gains on resale or cancellation or reacquired stock included in account 207.

C. When reacquired capital stock is resold by the utility, the difference between the amount received on the resale of the stock, less expenses incurred in the resale, and the cost of the stock included in this account shall be accounted for as outlined in paragraph B.

Note: The accounting for reacquired stock shall be as prescribed herein unless otherwise specifically required by statute.

218 Noncorporate proprietorship.

This account shall include the investment in an unincorporated utility by the proprietor thereof, and shall be charged with all withdrawals from the business by its proprietor. At the end of each calendar year the net income for the year, as developed in the income account, shall be transferred to this account. (See optional accounting procedure provided in Note C, hereunder.)

NOTE A: Amounts payable to the proprietor as just and reasonable compensation for services performed shall not be charged to this account but to appropriate operating expense or other accounts.

NOTE B: When the utility is owned by a

Note B: When the utility is owned by a partnership, a separate account shall be kept to show the net equity of each member therein and the transactions affecting the interest

of each such partner.

Note C: This account may be restricted to the amount considered by the proprietor to be the permanent investment in the business, subject to change only by additional investment by the proprietor or the withdrawal of portions thereof not representing net income. When this option is taken, the surplus accounts shall be maintained and entries thereto shall be made in accordance with the texts thereof.

6. LONG-TERM DEBT

221 Bonds.

A. Separate accounts shall be maintained hereunder for unmatured bonds of each class and series. Each such account shall be subdivided so as to show: (1) the face value of the actually issued and unmatured bonds, which have not been retired or canceled; also, the face value of such bonds issued by others, the payment of which has been assumed by the utility, (2) the face value of bonds actually issued or assumed by the utility and reacquired by it, not paid, retired, or canceled. The account for reacquired debt shall not include securities which are held by trustees in sinking or other funds.

B. When bonds are reacquired, the difference between face value, adjusted for unamortized discount, expense or premium and the amount paid upon reacquisition, shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, as appropriate.

223 Advances from associated companies.

A. This account shall include the face value of notes payable to associated companies and the amount of open book accounts representing advances from associated companies. It does not include notes and open accounts representing indebtedness subject to current settlement.

B. The records supporting the entries to this account shall be so kept that the utility can furnish complete information concerning each note and open account.

224 Other long-term debt.

A. This account shall include, until maturity, all long-term debt not otherwise provided for. This covers such items as receivers' certificates, real estate mortgages executed or assumed, assessments for public improvements, notes and unsecured certificates of indebtedness not owned by associated companies, receipts outstanding for long-term debt, and other obligations maturing more than one year from date of issue or assumption.

B. Separate accounts shall be maintained for each class of obligation, and records shall be maintained to show for each class all details as to date of obligation, date of maturity, interest dates and rates, security for the obligation, etc.

Note: Miscellaneous long-term debt reacquired shall be accounted for in accordance with the procedures set forth in account 221, Bonds.

7. CURRENT AND ACCRUED LIABILITIES

231 Notes payable.

This account shall include the face value of all notes, drafts, acceptances, or other similar evidences of indebtedness, payable on demand or within a time not exceeding one year from date of issue.

232 Accounts payable.

This account shall include all amounts payable by the utility within one year, which are not provided for in other accounts.

235 Customer deposits.

This account shall include all amounts deposited with the utility by customers as security for the payment of bills.

236 Taxes accrued.

A. This account shall be credited with the amount of taxes accrued during the accounting period, corresponding debits being made to the appropriate accounts for tax charges. Such credits may be based upon estimates, but from time to time during the year as the facts become known, the amount of the periodic credits shall be adjusted so as to include as nearly as can be determined in each year the taxes applicable thereto. Any amount representing a prepayment of taxes applicable to the period subsequent to the date of the balance sheet shall be shown under account 165, Prepayments.

B. If accruals for taxes are found to be insufficient or excessive, correction therefor shall be made through current tax accruals. However, if such corrections are so large as to seriously distort current expenses, they shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous

Debits to Surplus, as appropriate.

C. Accruals for taxes shall be based upon the net amount payable after credit for any discounts and shall not include any amounts for interest on tax deficiencies or refunds. Interest received on refunds shall be credited to account 419, Interest and Dividend Income, and interest paid on deficiencies shall be charged to account 431, Other Interest Expense.

D. The records supporting the entries to this account shall be kept so as to show for each class of taxes, the amount accrued, the basis for the accrual, the accounts to which charged, and the amount of tax paid.

Interest accrued.

This account shall include the amount of interest accrued but not matured on all liabilities of the utility, not including, however, interest which is added to the principal of the debt on which incurred. Supporting records shall be maintained so as to show the amount of interest accrued on each obligation.

Other current and accrued liabili-238 ties.

This account shall include the amount of all other current and accrued liabilities not provided for elsewhere appropriately designated and supported so as to show the nature of each liability.

- 1. Dividends declared but not paid.
- 2. Matured long-term debt.
- 3. Matured interest.
- 4. Taxes collected through pay roll deductions or otherwise pending transmittal to the proper taxing authority.

8. DEFERRED CREDITS

251 Unamortized premium on debt.

A. This account shall include the total of the unamortized balance of premium and expense for all classes of long-term debt, including receivers' certificates.

B. The premium and expense shall be amortized over the life of the respective issues under a plan which will distribute the amounts equitably over the life of the securities. The amortization shall be credited to account 429, Amortization of Premium on Debt-Cr.

Customer advances for construction.

This account shall include advances by customers for construction which are to be refunded either wholly or in part. When a customer is refunded the entire amount to which he is entitled, according to the agreement or rule under which the advance was made, the balance, if any, remaining in this account shall be credited to account 271, Contributions in Aid of Construction.

Other deferred credits.

This account shall include advance billings and receipts and other deferred credit items, not provided for elsewhere, including amounts which cannot be entirely cleared or disposed of until additional information has been received.

9. OPERATING RESERVES

261 Property insurance reserve.

A. This account shall include amounts reserved by the utility for self-insurance against losses through accident, fire, flood, or other hazards to its own property or property leased from others. A schedule of risks covered by this reserve shall be maintained, giving a description of the property involved, the character of the risks covered and the rates used.

B. Charges shall be made to this account for losses covered by self-insurance. Details of these charges shall be maintained according to the year the casualty occurred which gave lise to the

Miscellaneous operating reserves.

A. This account shall include all operating reserves maintained by the utility which are not provided for elsewhere.

B. This account shall be maintained in such manner as to show the amount of each separate reserve and the nature and amounts of the debits and credits thereto.

Note: This account includes only such reserves as may be created for operating purposes and does not include any reservations of income the credits for which should be carried in account 215, Appropriated Earned Surplus.

10. CONTRIBUTIONS IN AID OF CONSTRUCTION

271 Contributions in aid of construction.

A. This account shall include donations or contributions in cash, services, or property from states, municipalities or other governmental agencies, individuals, and others for construction purposes.

B. The credits to this account shall not be transferred to earned surplus or to any other account without the approval of the Commission.

C. The records supporting the entries to this account shall be so kept that the utility can furnish information as to the purpose of each donation, the conditions, if any, upon which it was made, the amount of donations from (a) states, (b) municipalities, (c) customers, and (d) others, and the amount applicable to each utility department.

Note: There shall not be included in this account advances for construction which are ultimately to be repaid wholly or in part. Such advances shall be credited to account 252, Customer Advances for Construction.

Gas Plant Accounts

1. INTANGIBLE PLANT

- Organization. 301
- Franchises and consents.
 - Miscellaneous intangible plant.
- 2. MANUFACTURED GAS PRODUCTION PLANT
- 310 Land and land rights.
- Structures and improvements. 311
- Coal gas equipment.
- 313 Water gas equipment. Petroleum gas equipment.
- Production equipment-Other proc-

- 8. NATURAL GAS PRODUCTION AND GATHERING
- Producing gas lands, leaseholds, and gas rights.
- Other land and land rights.

- Structures and improvements. 322
- 323 Producing gas wells.
- Gathering lines and equipment. 324
- Drilling and cleaning equipment. 325 326 Other production equipment.

4. TRANSMISSION AND DISTRIBUTION PLANT

- 330 Land and land rights.
- Structures and improvements. 331
- 333 Pumping and regulating equipment.
- 334 Services. 335 Meters.
- Meter installations.
- House regulators.
- House regulator installations. 338
- 339 Property on customers' premises.
- Other equipment.

5. GENERAL PLANT

- 370 Land and land rights.
- 371 Structures and improvements.
- Office furniture and equipment. 372
- Transportation equipment. 379 Other general equipment.
 - 6. OTHER GAS PLANT

- Other tangible property. 390 Gas plant purchased or sold. 391
- Gas plant in process of reclassification.
- Gas plant leased to others.
- Gas plant held for future use. 394
- 395
- Construction work in progress—Gas Gas plant acquisition adjustments. 396
- Other gas plant adjustments.

Gas Plant Accounts

1. INTANGIBLE PLANT

301 Organization.

This account shall include the cost of organizing and incorporating the utility and putting it into readiness to do busi-This includes the cost of legal ness. services, amounts paid for privileges of incorporation, office expenses, incident to organizing the company and stock and minute books and corporate seal.

Note: This account shall not include any discounts upon securities issued or assumed. nor shall it include any costs incident to negotiating loans, selling bonds, or other evidences of debt, or expenses in connection with the authorization, issuance or sale of capital stock.

302 Franchises and consents.

A. This account shall include amounts paid to the federal government, to a state or to a political subdivison thereof in consideration for franchises, consents, or certificates, running in perpetuity or for a specified term of more than one year. together with necessary and reasonable expenses incident to procuring such franchises, consents, or certificates of permission and approval.

B. If a franchise, consent, or certificate is acquired by assignment, the charge to this account in respect thereof shall not exceed the amount paid therefor by the utility to the assignor, nor shall it exceed the amount paid by the original grantee, plus the expense of acquisition to such grantee. Any excess of the amount actually paid by the utility over the amount above specified shall be charged to account 435. Miscellaneous Debits to Surplus.

C. When any franchise has expired, the book cost thereof shall be credited hereto and charged to account 435, Miscellaneous Debits to Surplus, or to account 110. Accumulated Provision for Depreciation, Depletion and Amortiza- 313 Water gas equipment. tion of Gas Plant, as appropriate.

D. Records supporting this account shall be maintained so as to show separately the book cost of each franchise or consent.

Note: Annual or other periodic payments under franchises shall not be included herein but in the appropriate operating expense account.

303 Miscellaneous intangible plant.

A. This account shall include the cost of patent rights, licenses, privileges, and other intangible property necessary or valuable in the conduct of utility operations and not specifically chargeable to any other account.

B. When any item included in this account is retired or expires, the book cost thereof shall be credited hereto and charged to account 435, Miscellaneous Debits to Surplus, or account 110, Accumulated Provision for Depreciation, Depletion and Amortization of Gas Plant, as appropriate.

C. This account shall be maintained in such a manner that the utility can furnish full information with respect to the amounts included herein.

2. MANUFACTURED GAS PRODUCTION PLANT

Note: If the utility produces gas in two or more plants, separate production plant accounts shall be kept for each plant; when more than one kind of gas is produced at a single plant, the equipment used in common, if any, shall be kept in separate subdivisions and the extent of use for each process shall be indicated.

310 Land and land rights.

This account shall include the cost of land and land rights used in connection with gas production. (See gas plant instruction 3.)

Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with manufactured gas production. This includes relief and storage holders when located at the production plant. (See gas plant instruction 4.)

312 Coal gas equipment.

This account shall include the cost installed of plant and equipment used for the production and purification of coal gas.

ITEMS

- 1. Power equipment, such as furnaces, boilers, internal combustion engines and other driving equipment; accessory equipment, such as fuel and ash handling and storage equipment, piping and accessories,
- 2. Benches and retorts, coke ovens, and accessory equipment.
 - 3. Producer gas equipment and accessories. 4. Purification equipment and accessories.
- 5. Residual refining equipment and accessories.
- 6. Other production and accessory equipment, such as gas mixing equipment, tanks, odorizing equipment, oil foggers, piping and accessories, works exhauster, works station meters and gauges, production laboratory equipment, etc.

Note: This account shall not include boilers or steam pipes whose primary purpose is the heating of structures.

This account shall include the cost installed of equipment used in the generation and purification of water gas.

1. Power equipment, such as furnaces, boilers, internal combusion engines and other driving equipment; accessory equipment such as fuel and ash handling and storage equipment, piping and accessories, etc.

2. Water gas generating equipment, such as generators, carburetors, superheaters, and

equipment accessory thereto.

3. Purification equipment and accessories. 4. Residual refining equipment and accessories.

5. Other production and accessory equipment, such as gas mixing equipment, tanks, odorizing equipment, oil foggers, piping and accessories, works exhauster, works station meters and gauges, production laboratory equipment, etc.

Note: This account shall not include boilers or steam pipes whose primary purpose is the heating of structures.

Petroleum gas equipment.

This account shall include the cost installed of equipment used for the production of gas from petroleum derivatives, such as propane, butane or gasoline.

- 1. Carbureting equipment and accessories.
- 2. Compression equipment including pumps and accessories.
- 3. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
 - 4. Mixing or proportioning equipment.
 - 5. Piping, including valves.
 - 6. Storage equipment other than holders.
 - Vaporizing equipment.

315 Production equipment—other processes.

This account shall include the cost installed of production equipment for processes other than those provided for in preceding accounts, such as for the production of oil, gas, acetylene gas, etc., for producer gas when not for use in the manufacture of coal gas, and equipment for making or reforming gas by the catalytic cracking process.

3. NATURAL GAS PRODUCTION AND GATHERING

Producing gas lands, leaseholds and 320 gas rights.

A. This account shall include the cost of (a) lands held in fee on which producing gas wells are located, and lands held in fee which are being drained of gas through the operation by the utility of wells on other land, (b) leaseholds on which the utility pays royalties for natural gas obtained therefrom, and (c) natural gas rights used in producing natural gas, whereby the utility obtains ownership in gas underlying land not owned or leased by the utility. (See gas plant instruction 3.)

B. Exclude from this account rents paid periodically for rights obtained under leases. Exclude also from this account the cost of leaseholds which terminate in one year or less after they become effective.

321 Other land and land rights.

This account shall include the cost of rights-of-way for gathering pipe lines

and other lands and land rights used in connection with natural gas production operations except producing gas lands, leaseholds, and gas rights. Do not include in this account any payments with respect to rights-of-way or other land rights which terminate less than one year after they become effective. Any such payments, as well as annual or other periodic payments for use of land, should be charged to account 713, Operation Supplies and Expenses. (See gas plant instruction 3.)

Structures and improvements.

This account shall include the cost of structures and improvements used in connection with natural gas production and gathering operations. (See gas plant instruction 4.)

323 Producing gas wells.

This account shall include the cost of productive gas wells.

- 1. Casing.
- 2. Clearing site for drilling.
- 3. Drive pipe.
- 4. Fittings, including shut-in valve, separators, and drips.
 - 5. Fuel or power used in drilling, cost of.
 - 6. Packing.
- 7. Pumps and drives permanently connected.
 - 8. Tubing
 - 9. Rent of drilling equipment.
- 10. Roads to well site, cost of making, clearing, etc.
- 11. Cost of hauling, erecting, dismantling, and removing boilers, portable engines, derricks, rigs and other equipment and tools used in drilling.
- 12. Water used in drilling obtained either by driving wells, piping from springs or streams, or by purchase.

Note: Cost of drilling, etc., incurred in connection with dry holes shall be charged as provided in account 721, Nonproductive Well Drilling.

324 Gathering lines and equipment.

This account shall include the cost installed of pipe lines and equipment used in conveying natural gas from the wells to the point of storage or compression, or where it enters the transmission or distribution system.

ITEMS

- 1. Boosters.
- 2. Drip traps. 3. Driving units.
- 4. Gathering lines, including pipe, valves,
- fittings, and supports. 5. Instruments, meters, pressure gauges,
 - 6. Pressure regulators.
 - 7. Pumps.

325 Drilling and cleaning equipment.

This account shall include the cost of implements and equipment used in drilling and cleaning natural gas wells.

- 1. Bailers.
- 2. Boilers.
- 3. Derricks.
- 4. Drilling cables.
- 5. Drilling machines.
- 6. Engines.
- 7. Motors.
- 8. Pulling machines.
- 9. Rigs.

326 Other production equipment.

This account shall include the cost installed of equipment used in the production of gas, when not assignable to any of the foregoing accounts.

- 1. Natural gas purification equipment.
- 2. Odorizing equipment.
- 3. Oil foggers.
- 4. Production laboratory equipment.

4. Transmission and Distribution Plant

330 Land and land rights.

This account shall include the cost of land and land rights used in connection with transmission or distribution operations. (See gas plant instruction 3.)

Structures and improvements.

- A. This account shall include the cost in place of structures and improvements used in connection with transmission or distribution operations. (See gas plant instruction 4.)
- B. This includes storage holders and accessory equipment when located on the transmission or distribution system. Storage holders and accessory equipment located at the production plant shall be included in account 311, Structures and Improvements.

332 Mains.

This account shall include the cost installed of transmission and distribution system mains.

ITEMS

- 1. Drip lines and pots.
- 2. Excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material.
 - 3. Municipal inspection.
- 4. Pavement disturbed, including cutting and replacing pavement, pavement base and sidewalks.
- 5. Permits.
 6. Pipe coatings. 7. Pipe and fittings.
- 8. Pipe laying.
- 9. Pipe supports.
- 10. Protection of street openings.
- 11. Surveys made for main construction.
- 12. Valves (including manholes or pits). not associated with pumping or regulating

333 Pumping and regulating equipment.

This account shall include the cost installed of pumping, regulating, and measuring equipment, including minor structures which house such equipment.

ITEMS

- 1. After-cooling equipment and accessories.
 - 2. Boosters.
- 3. Compressors.
- 4. Driving units for items listed herein.
- 5. Excavation, including shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material.
- 6. Foundations and vaults for items listed
- 7. Governors or regulators for pressure in mains.
- 8. Manholes or pits used to house equipment included in this account.
 - 9. Meters located on mains.
- 10. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
 - 11. Piping and fittings for equipment.
 - 12. Pressure indicators.

13. Pressure regulating devices.

14. Valves associated with pumping or regulating equipment.

334 Services.

A. This account shall include the cost installed of service pipes and accessories leading to the customers' premises.

B. A complete service begins with the connection on the main and extends to but does not include the connection with the customer's meter. A stub service extends from the main to the property line, or the curb stop.

C. Services which have been used but have become inactive shall be retired from utility plant in service immediately if there is no prospect for reuse, and, in any event, shall be retired by the end of the second year following that during which the service became inactive unless reused in the interim.

ITEMS

- 1. Curb valves and curb boxes.
- 2. Excavation, including shoring, bracing, bridging, pumping, backful, and disposal of excess excavated' material.
- 3. Landscaping, including lawns, shrubbery, shoring, bracing, bridging, pumping, backfill, and disposal of excess excavated material.
 - 4. Municipal inspection.
- 5. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
 - 6. Permits.
- 7. Pipe and fittings, including saddle, T, or other fitting on street main.
 - 8. Pipe coating.
 - 9. Pipe laying.
 - 10. Protection of street openings.
 - 11. Service drips.
- 12. Service valves, at head of service, when installed or furnished by the utility.

Note: When a customer pays all or a part of the cost of the service and such cost is properly includible in this account, the amount borne or contributed by the customer shall be credited to account 271, Contributions in Aid of Construction.

- A. This account shall include the cost installed of meters or devices and appurtenances thereto, for use in measuring gas delivered to users, whether actually in service or held in reserve.
- B. When a meter is permanently retired from service, the installed cost thereof shall be credited to this account.
- C. The records of meters shall be so kept that the utility can furnish information as to the number of meters of each type and capacity in service and in reserve as well as the location of each meter.

- 1. Meters, including badging and initial testing.
 - Meter installations:
 - 2. Cocks.
- 3. Labor.
- 4. Locks.
- 5. Meter bars.
- 6. Pipe and fittings.
- 7. Seals.
- 8. Shelves.
- 9. Swivels and bushings.
- 10. Transportation.

NOTE A: At the option of the utility, costs of meter installations may be accounted for separately from the cost of meters in accordance with the provisions of account 836, Meter Installations. The practice of the utility, however, shall be consistent from year to year and throughout the utility's system.

Note B: The labor cost of removing and resetting meters shall be charged to account 760, Supervision and Labor, and supplies used or other expense incurred charged to account 761, Operation Supplies and Expenses.

336 Meter installations.

- A. This account shall include the cost of labor and materials used, and expenses incurred in connection with the original installation of customer meters.
- B. When a meter installation is permanently retired from service, the cost thereof shall be credited to this account.

- 1. Cocks.
- 2. Locks. 3. Labor.
- Meter bars.
- 5. Pipe and fittings.
- 6. Seals.
- 7. Shelves.
- 8. Swivels and bushings.
- 9. Transportation.

Note: At the option of the utility, meter installations may be accounted for as part of the cost installed of meters, in accordance with the provisions of account 335, Meters. The practice of the utility, however, shall be consistent from year to year and throughout the utility's system.

337 House regulators.

- A. This account shall include the cost installed of house regulators whether actually in service or held in reserve.
- B. When a house regulator is permanently retired from service, the installed cost thereof shall be credited to this account.

ITEMS

- 1. House regulator.
- House regulator installations:
- 2. Cocks.
- 3. Labor.
- 4. Locks.
- 5. Pipe and fittings.
- 6. Regulator vents.7. Swivels and bushings.
- 8. Transportation.

Note: At the option of the utility, cost of house regulator installations may be accounted for separately from the cost of house regulators in accordance with the provisions of account 338, House Regulator Installations. The practice of the utility, however, shall be consistent from year to year and throughout the utility's system.

338 House regulator installations.

- A. This account shall include the cost of labor and materials used and expenses incurred in connection with the original installation of house regulators.
- B. When a house regulator installation is permanently retired from service. the cost thereof shall be credited to this account.

ITEMS

- Cocks.
- 2. Labor.
- 3. Locks. 4. Pipe and fittings.
- 5. Regulator vents.
- Swivels and bushings. 7. Transportation.

Note: At the option of the utility, house regulator installations may be accounted for as part of the cost installed of house regulators in accordance with the provisions of account 337, House Regulators. The practice, however, shall be consistent from year to year and throughout the utility's system.

Property on customers' premises

This account shall include the cost. including first setting and connecting, of equipment owned by the utility installed on customer premises which is not includible in other accounts.

340 Other equipment.

This account shall include the cost installed of all other transmission and distribution equipment not provided for in the foregoing accounts, including street lighting equipment.

- 1. Carbon monoxide tester and indicator.
- 2. Explosimeters.
- 3. Fire extinguisher.
- 4. Gas masks.
- 5. Lockers.
- 6. Portable pump.
- Recording gauges.
 Street lighting equipment.
- Test meters.
- 10. Watchmen's clocks.

5. GENERAL PLANT

370 Land and land rights.

This account shall include the cost of land and land rights used for utility purposes, the cost of which is not properly includible in other land and land rights accounts. (See gas plant instruction 3.)

Structures and improvements.

This account shall include the cost in place of structures and improvements used for utility purposes, the cost of which is not properly includible in other structures and improvements accounts. (See gas plant instruction 4.)

372 Office furniture and equipment.

This account shall include the cost of office furniture and equipment owned by the utility and devoted to utility service, and not permanently attached to buildings, except the cost of such furniture and equipment which the utility elects to assign to other plant accounts on a functional basis.

- 1. Bookcases and shelves.
- 2. Desks, chairs, and desk equipment..
- Drafting-room equipment.
- Filing, storage, and other cabinets.
- 5. Floor covering.
- 6. Library and library equipment.
- 7. Mechanical office equipment, such as accounting machines, typewriters, etc.
- 8. Safes.
- 9. Tables.

373 Transportation equipment.

This account shall include the cost of transportation vehicles used for utility purposes.

ITEMS

- Automobiles.
- 2. Bicycles.
- Electrical vehicles.
- 4. Motor trucks.
- Motorcycles.
- 6. Repair cars or trucks.
- Tractors and trailers.
- 8. Other transportation vehicles.

Other general equipment.

This account shall include the cost installed of the following equipment:

(1) Equipment used for the receiving, shipping, handling, and storage of materials and supplies when not an integral part of the housing structure.

(2) Equipment specially provided for general shops when such equipment is not an integral part of the housing structure.

- (3) Laboratory equipment used for general laboratory purposes and not specially provided for or includible in other departmental or functional plant accounts.
- (4) Tools, implements, and equipment used in construction or repair work exclusive of equipment includible in other equipment accounts.
- (5) Other general equipment, apparatus, etc., used in the utility's gas operations, and which is not includible in any other account.

Note: General equipment of the nature indicated above whenever practicable shall be assigned to the gas plant accounts on a functional basis.

6. OTHER GAS PLANT

390 Other tangible property.

This account shall include the cost of tangible gas plant not provided for elsewhere.

391 Gas plant purchased or sold.

This account shall be charged with the cost of gas plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise, and shall be credited with the selling price of like property transferred to others pending the distribution to appropriate accounts as the Commission shall approve or direct.

Gas plant in process of reclassification.

A. This account shall include temporarily the balance of gas plant as of the effective date of the prior system of accounts, which has not yet been reclassified as of the effective date of this system of accounts. The detail or primary accounts in support of this account employed prior to such date shall be continued pending reclassification into the gas plant accounts herein prescribed (301-390), but shall not be used for additions, betterments, or new construction.

B. No charges other than as provided in paragraph A, above, shall be made to this account, but retirements of such unclassified gas plant shall be credited hereto and to the supporting (old) fixed capital accounts until the reclassification shall have been accomplished.

Gas plant leased to others.

A. This account shall include the original cost of gas plant owned by the utility, but leased to others as operating units or systems, where the lessee has exclusive possession.

B. The property included in this account shall be classified according to the detailed accounts (301-390) prescribed for gas plant in service, and this account shall be maintained in such detail as though the property were used by the owner in its utility operations.

394 Gas plant held for future use.

A. This account shall include the original cost of property owned and held for future use in gas service under a definite plan for such use. There shall be included herein property acquired but never used by the utility in gas service, but held for such service in the future under a definite plan, and property previously used by the utility in gas service pending its reuse in the future, under a definite plan, in gas service. This includes land and land rights held to insure a future supply of natural gas.

B. The property included in this account shall be classified according to the detailed accounts (301-390) prescribed for gas plant in service and the account shall be maintained in such detail as though the property were in service.

Note A: Materials and supplies, meters and transformers held in reserve, and normal spare capacity of plant in service shall not be included in this account.

Note B: Include in this account natural gas wells shut in after construction which have not been connected with the line; also, natural gas wells which have been connected with the line but which are shut in for any reason excepting seasonal excess capacity or governmental proration requirements or for repairs.

Construction work in progress—Gas.

This account shall include the total of the balances of work orders for gas plant in process of construction but not ready for service at the date of the balance sheet.

Gas plant acquisition adjustments.

A. This account shall include the difference between (a) the cost to the accounting utility of gas plant acquired as an operating unit or system by purchase. merger, consolidation, liquidation, or otherwise, and (b) the original cost, estimated if not known, of such property, less the amount or amounts credited by the accounting utility at the time of acquisition to accumulated provision for depreciation, depletion and amortization and contributions in aid of construction with respect to such property.

B. The amounts recorded in this account with respect to each property acquisition shall be amortized, or otherwise disposed of, as the Commission may

approve or direct.

397 Other gas plant adjustments.

A. This account shall include the difference between the original cost, estimated if not known, and the book cost of gas plant to the extent that such difference is not properly includible in account 396, Gas Plant Acquisition Adjustments.

B. Amounts included in this account shall be classified in such manner as to show the origin of each amount and shall be disposed of as the Commission may approve or direct.

Note: The provisions of this account shall not be construed as approving or authorizing the recording of appreciation of gas plant.

Income Accounts

1. UTILITY OPERATING INCOME

400 Operating revenues.

Operating expenses: 401 Operation and maintenance expense.

Depreciation and depletion expense.

- Amortization expense.
- Taxes other than income taxes.
- Income taxes. Total operating expenses. Operating income.
- 412-413 Income, from gas plant leased to others.
- 414 Other utility operating income. Total operating income.

2. OTHER INCOME

- 415-416 Income from merchandising, jobbing, and contract work.
- Nonoperating rental income.
- Interest and dividend income
- Miscellaneous nonoperating income. Total other income. Total income.

3. MISCELLANEOUS INCOME DEDUCTIONS

- 425 Miscellaneous amortization.
- Other income deductions. Total income deductions. Income before interest charges.

4. INTEREST CHARGES

- 427 Interest on long-term debt.
- Amortization of debt discount and ex-
- Amortization of premium on debt—Cr. 430 Interest on debt to associated companies.
- 431 Other interest expense.
- Interest charged to construction-Cr. Total interest charges. Net income.

5. EARNED SURPLUS

- 216 Unappropriated earned surplus (at beginning of period).
- 433 Balance transferred from income.
- Miscellaneous credits to surplus. 434
- Miscellaneous debits to surplus. 435 Appropriations of surplus.
- let addition to earned surplus.
- Dividends declared—Preferred stock.

 Dividends declared—Common stock.
- Unappropriated earned surplus (at end 216
- of period).

Income Accounts

1. UTILITY OPERATING INCOME

400 Operating revenues.

There shall be shown under this caption the total amount included in the gas operating revenue accounts provided herein.

401 Operation and maintenance.

There shall be shown under this caption the total amount included in the gas operation and maintenance expense accounts provided herein.

403 Depreciation and depletion expense.

A. This account shall include the amount of depreciation expense for the period covered by the income statement for all classes of depreciable gas plant in service except such depreciation expense as is chargeable to clearing accounts or to merchandising, jobbing and contract work activities. It shall also include depletion and amortization expense with respect to producing natural gas lands and land rights.

B. The charges to this account for amortization and depletion of producing natural gas land and land rights shall be made in such manner as to distribute the cost of producing natural gas land and land rights over the period of their benefit to the utility, based upon the exhaustion of the natural gas deposits recoverable from such land and land rights.

404 Amortization expense.

This account shall include amortization charges applicable to amounts included in the gas plant accounts for limitedterm franchises, licenses, patent rights, limited-term interests in land, other than land rights held for production of natural gas, and expenditures on leased property where the service life of the improvements is terminable by action of the lease. The charges to this account shall be such as to distribute the book cost of each investment as evenly as may be over the period of its benefit to the utility. Include also, when authorized by the Commission, amortization of extraordinary property losses. (See account 182. Extraordinary Property Losses.)

408 Taxes other than income taxes.

- A. This account shall include the amount of ad valorem, gross revenue or gross receipts taxes, state unemployment insurance, franchise taxes, federal excise taxes, social security taxes, and all other taxes assessed by federal, state, county, municipal, or other local governmental authorities, which are properly chargeable to gas operations, except income taxes.
- B. This account shall be charged in each accounting period with the amount of taxes which is applicable thereto, with concurrent credits to account 236, Taxes Accrued, or account 165, Prepayments, as appropriate. When it is not possible to determine the exact amount of taxes, the amount shall be estimated and adjustments made in current accruals as the actual tax levies become known.
- C. The charges to this account shall be made or supported so as to show the amount of each tax and the basis upon which each charge is made. In the case of a utility rendering more than one utility service, taxes of the kind includible in this account shall be assigned directly to the utility department the operation of which gave rise to the tax in so far as practicable. Where the tax is not attributable to a specific utility department, it shall be distributed among the utility departments or nonutility operations on an equitable basis.

Note A: Taxes applicable to nonutility property or investments, including taxes on net income derived therefrom, shall be charged to the account in which the income

from the property or investments is included.

Note B: Special assessments for street and similar improvements shall be included in the appropriate utility plant or nonutility property account.

NOTE C: Taxes specifically applicable to construction shall be included in the cost of construction.

NOTE D: Taxes assumed by the utility on property leased from others for use in utility operations shall be charged to the appropriate rent expense or clearing account.

Note E: Gasoline and other sales taxes shall be charged as far as practicable to the same account as the materials on which the tax is levied.

Nors F: Social Security and other forms of so-called pay roll taxes shall be destributed to utility departments and to nonutility functions on a basis related to pay roll. Amounts applicable to construction shall be charged to the appropriate plant account.

Income taxes.

- A. This account shall include the amount of state and federal taxes on income properly accruable during the period covered by the income statement to meet the actual liability for such taxes. Concurrent credits for the tax accruals shall be made to account 236, Taxes Accrued, and as the exact amount of taxes becomes known, the current tax accruals shall be adjusted accordingly so that this account, as nearly as can be ascertained, shall include the actual taxes payable which are chargeable to utility operations.
- B. The accruals for income taxes shall be apportioned among utility departments and nonutility operations so that, as nearly as practicable, each tax shall be included in the expenses of the utility department or nonutility operation the income from which gave rise to the tax.

Note A: Taxes assumed by the utility on interest shall be charged to account 431, Other Interest Expense.

NOTE B: Income taxes on income from gas plant leased to others shall be charged to account 413, Expenses of Gas Plant Leased to Others.

NOTE C: Where statutes or regulatory practices require that the profits or losses of merchandising, jobbing and contract work shall not be considered in arriving at rates to be charged for utility service, income taxes on income from merchandising, jobbing and contract work shall be charged to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work.

Note D: Income taxes on nonutility income shall be charged to the account in which the income is included.

NOTE E: Interest on tax refunds or deficiencles shall not be included in this account but in account 419, Interest and Dividend Income, or account 431, Other Interest Expenses, as appropriate.

Revenues from gas plant leased to others.

Expenses of gas plant leased to others.

- A. These accounts shall include, respectively, revenues from gas property constituting a distinct operating unit or system leased by the utility to others, and which property is properly includible in account 393, Gas Plant Leased to Others, and the expenses attributable to such property.
- B. The detail of expense shall be kept or supported so as to show separately the following:

Operation and maintenance. Rents.

Depreciation and depletion.

Amortization.

Taxes other than income taxes.

Income taxes.

414 Other utility operating income.

- A. This account shall include the revenues received and expenses incurred in connection with the operations of utility plant, the book cost of which is included in account 118, Other Utility Plant.
- B. The expenses shall include every element of cost incurred in such operations, including depreciation, rents, taxes, and insurance.

2. OTHER INCOME

415 Revenues from merchandising, jobbing and contract work.

Costs and expenses of merchandising, jobbing and contract work.

These accounts shall include, respectively, all revenues derived from the sale of merchandise and jobbing or contract work including any profit or commission accruing to the utility on jobbing work performed by it as agent under contracts whereby it does jobbing work for another for a stipulated profit or commission, and all expenses incurred in such activities.

Note: The revenues and expenses of merchandising, jobbing and contract work shall be reported in these accounts if a State regulatory body having jurisdiction over the utility requires the net income therefrom to be reported as other income; but the amounts shall be reported in accounts 780 and 781 if such regulatory body requires the net income to be reported as an operating income or expense item. In the absence of a requirement by a State regulatory body, the utility may use these accounts or ac-counts 780 and 781 at its option, in which case the practice of the utility must be consistent.

ITEMS

Account 415:

1. Revenues from sale of merchandise and from jobbing and contract work.

2. Discounts and allowances made in settlement of bills for merchandise and jobbing work.

Account 416:

1. Cost of merchandise sold and materials used in jobbing work.

2. Labor and expenses incurred in merchandising and jobbing operations.

418 Nonoperating rental income.

This account shall include all rent revenues and related expenses of land, buildings, or other property included in account 121, Nonutility Property.

Interest and dividend income.

A. This account shall include interest revenues on securities, loans, advances, special deposits, tax refunds and all other interest-bearing assets, and dividends on stocks of other companies, whether the securities on which the interest and dividends are received are carried as investments or included in sinking- or other special-fund accounts.

B. If any interest or dividends are required to be retained in a special fund and the fund is represented by a reserve, the amount of such accretion to the fund shall concurrently be credited to the appropriate reserve account and charged account 436, Appropriations Surplus.

Miscellaneous nonoperating income.

This account shall include all revenue and expense items properly includible in the income account and not provided for elsewhere.

3. MISCELLANEOUS INCOME DEDUCTIONS

425 Miscellaneous amortization.

This account shall include amortization charges not includible in other accounts which are properly deductible in determining the income of the utility before interest charges. Charges includible herein, if significant in amount, must be in accordance with an orderly and systematic amortization program. Similar charges made irregularly without a definite program, or which are dependent upon the amount of net income shall be charged to account 435, Miscellaneous Debits to surplus.

ITEMS

1. Amortization of utility plant acquisition adjustments or of intangibles included in utility plant in service when not authorized to be included in utility operating expenses by the Commission.

2. Amortization of amounts in account 182, Extraordinary Property Losses, when not authorized to be included in utility operat-

ing expenses by the Commission.
3. Amortization of capital stock discount or expenses when in accordance with a systematic amortization program.

Other income deductions.

This account shall include miscellaneous expense items which are nonoperating in nature but which are properly deductible before determining total income before interest charges.

1. Donations for charitable, social or community welfare purposes.

2. Life insurance of officers and employees where utility is beneficiary (net premiums less increase in cash surrender value of policies).

3. Penalties or fines for violation of statutes pertaining to regulation.

Note: The classification of expenses as nonoperating and their inclusion in this account is for accounting purposes. It does not preclude Commission consideration of proof to the contrary for ratemaking or other purposes.

4. INTEREST CHARGES

427 Interest on long-term debt.

A. This account shall include the amount of interest on outstanding longterm debt issued or assumed by the utility, the liability for which is included in account 221, Bonds, or account 224, Other Long-Term Debt.

B. This account shall be so kept or supported as to show the interest accruals on each class and series of long-term debt.

Nore: This account shall not include interest on nominally issued or nominally outstanding long-term debt, including securities assumed.

Amortization of debt discount and expense.

A. This account shall include the amortization of unamortized debt discount and expense on outstanding longterm debt. Amounts charged to this account shall be credited concurrently to account 181, Unamortized Debt Discount and Expense.

B. This account shall be so kept or supported as to show the debt discount and expense on each class and series of long-term debt.

429 Amortization of premium on debt-

A. This account shall include the amortization of unamortized net premium on outstanding long-term debt. Amounts credited to this account shall be charged concurrently to account 251. Unamortized Premium on Debt.

B. This account shall be so kept or supported as to show the premium on each class and series of long-term debt.

Interest on debt to associated com-

A. This account shall include the interest accrued on amounts included in account 223, Advances from Associated Companies, and on all other obligations to associated companies.

B. The records supporting the entries to this account shall be so kept as to show to whom the interest is to be paid, the period covered by the accrual, the rate of interest and the principal amount of the advances or other obligations on which the interest is accrued.

Other interest expense.

This account shall include all interest charges not provided for elsewhere.

1. Interest on notes payable on demand, or maturing one year or less from date and on open accounts, except notes and accounts with associated companies.
2. Interest on customers' deposits.

3. Interest on claims and judgments, tax assessments, and assessments for public improvements past due.

4. Income and other taxes levied upon bondholders of utility and assumed by it.

432 Interest charged to construction-

This account shall include concurrent credits for interest charged to construction based upon the net cost for the period of construction of borrowed funds used for construction purposes and a reasonable rate upon other funds when so used. No interest shall be capitalized on plant which is completed and ready for service.

5. EARNED SURPLUS

433 Balance transferred from income.

This account shall include the net credit or debit transferred from income for the year.

434 Miscellaneous credits to surplus.

This account shall include credits affecting earned surplus not provided for elsewhere. If an amount otherwise required by the uniform system of accounts to be credited to this account is not significant with respect to net income determination for the year, it may be credited to the appropriate non-operating income account. All items included in this account shall be sufficiently described in the entries relating thereto as to permit ready analysis.

1. Delayed credits.

2. Profit on reacquisition and resale or retirement of utility's debt securities.

3. Profit on sale of property or investments.

435 Miscellaneous debits to surplus.

This account shall include amounts chargeable to earned surplus but not provided for elsewhere. If an amount otherwise required by the uniform system of accounts to be charged to this account is not significant with respect to net income determination for the year, it may be charged to the appropriate non-operating income deduction account. All items included in this account shall be sufficiently described in the entries relating thereto as to permit ready analysis.

ITEMS

- 1. Decline in value of investments.
- Delayed debits.
- 3. Loss on reacquisition and resale or retirement of utility's debt securities.
- 4. Provision for past accrued depreciation not provided for.
- 5. Long-term debt discount and expense written off.
- 6. Loss on sale of property or investments.
- 7. Write off of utility plant acquisition adjustments or of intangibles when not done under an orderly systematic program indicating the propriety of inclusion of the annual charges in account 425, Miscellaneous Amortization.
- 8. Preliminary survey and investigation expenses on abandoned projects.
- 9. Income taxes, both state and federal, occasioned by items included in account 434, Miscellaneous Credits to Surplus.
- 10. Charges from retirement or resale of reacquired capital stock.

436 Appropriations of surplus.

This account shall include appropriations of earned surplus for purposes not provided for elsewhere in this system of accounts.

ITEMS

- 1. Appropriations of income required under terms of mortgages, orders of courts, contracts or other agreements.
- 2. Appropriations of income required by action of regulatory authorities.
- 3. Miscellaneous appropriations of income made at option of utility for specified purposes.

437 Dividends declared—Preferred stock.

This account shall include amounts declared payable out of earned surplus as dividends on actually outstanding preferred or prior lien capital stock issued by the utility.

438 Dividends declared—Common stock.

This account shall include amounts declared payable out of earned surplus as dividends on actually outstanding common capital stock issued by the utility.

Operating Revenue Accounts

1. SALES OF GAS

- 480 Residential sales.
- 481 Commercial and industrial sales.
- 483 Sales for resale.
- 484 Interdepartmental sales.

2. OTHER OPERATING REVENUES

- 487 Forfeited discounts.
- 488 Miscellaneous service revenues.
- 489 Revenues from transportation of gas of others.
- 491 Revenues from natural gas processed by others.
- 492 Incidental gasoline and oil sales.
- 493 Rent from gas property.
- 494 Interdepartmental rents.
- 495 Other gas revenues.

Operating Revenue Accounts

1. SALES OF GAS

480 Residential sales.

A. This account shall include the net billing for gas supplied for residential or domestic purposes. B. Records shall be maintained so that the quantity of gas sold and the revenues received under each rate schedule shall be readily available.

Note: When gas supplied through a single meter is used for both residential and commercial purposes, the total revenue shall be included in this account or account 481, Commercial and Industrial Sales, according to the rate schedule which is applied. If the same rate schedules are applicable to both residential and commercial service, classification shall be according to principal use.

481 Commercial and industrial sales.

- A. This account shall include the net billing for gas supplied to commercial and industrial customers.
- B. Records shall be maintained so that the quantity of gas sold and revenue received under each rate schedule shall be readily available.

Note: When gas supplied through a single meter is used for both commercial and residential purposes, the total revenue shall be included in this account or in account 480, Residential Sales, according to the rate schedule which is applied. If the same rate schedules are applicable to both residential and commercial service, classification shall be according to principal use.

483 Sales for resale.

- A. This account shall include the net billing for gas supplied to other gas utilities or to public authorities for resale purposes.
- B. Records shall be maintained so that there shall be readily available the revenues for each customer under each revenue schedule and the billing determinants, as applicable, i.e., volume of gas (actual and billing), contract demand, maximum actual demand, billing demand, and Btu adjustment factor.

Note: Revenues from gas supplied to other public utilities for use by them and not for distribution, shall be included in account 481, Commercial and Industrial Sales, unless supplied under the same contract as and not readily separable from revenues includible in this account.

484 Interdepartmental sales.

- A. This account shall include amounts charged by the gas department at tariff or other specified rates for gas supplied by it to other utility departments.
- B. Records shall be maintained so that the quantity of gas supplied each other department and the charge made therefor shall be readily available.

2. OTHER OPERATING REVENUES

487 Forfeited discounts.

This account shall include the amount of discounts forfeited or additional charges imposed because of the failure of customers to pay gas bills on or before a specified date.

488 Miscellaneous service revenues.

This account shall include revenues from all miscellaneous services and charges billed to customers which are not specifically provided for in other accounts.

ITEMS

- 1. Fees for changing, connecting, or disconnecting service.
- 2. Profit on maintenance of appliances, piping, gas firing and other utilization facil-

ities, or other installations on customers' premises.

- 3. Net credit or debit (cost less net salvage and less payment from customers) on closing work orders for plant installed for temporary service of less than one year.
- 4. Recovery of expenses in connection with gas diversion cases. (Billing for the gas consumed shall be included in the appropriate gas revenue account.)
- 5. Services performed for other gas companies for testing and adjusting meters, changing charts, etc.

489 Revenues from transportation of gas of others.

This account shall include revenues from transporting gas for other companies through the production, transmission, and distribution lines, or compressor stations of the utility.

491 Revenues from natural gas processed by others.

- A. This account shall include revenues from royalties and permits, or other bases of settlement, for permission granted others to remove products from natural gas of the utility.
- B. The records supporting this account shall be so maintained that full information concerning determination of the revenues will be readily available concerning each processor of gas of the utility, including as applicable (a) the Mcf of gas and approximate average Btu content thereof per cubic foot delivered to such other party for processing, (b) the Mcf of gas and approximate average Btu content thereof per cubic foot of gas received back from the processor, (c) the field, general production area, or other source of the gas processed, (d) Mcf of gas used for processing fuel, etc., which is chargeable to the utility, (e) total gallons of each product recovered by the processor and the utility's share thereof, (f) the revenues accruing to the utility, and (g) the basis of determination of the revenues accruing to the utility. Such records shall be maintained even though no revenues are derived from the processor.

492 Incidental gasoline and oil sales.

This account shall include revenues from natural gas gasoline produced direct from gas wells or recovered from drips or obtained in connection with purification or dehydration processes, and revenues from oil obtained from wells which produce oil and gas, the investment in which is carried in account 323, Producing Gas Wells.

493 Rent from gas property.

- A. This account shall include rents received for the use by others of land, buildings, and other property devoted to gas operations by the utility.
- B. When property owned by the utility is operated jointly with others under a definite arrangement for sharing the actual expenses among the parties to the arrangement, any amount received by the utility for interest or return or in reimbursement of taxes or depreciation on the property shall be credited to this account.

Note: Do not include rent from property constituting an operating unit or system in this account. (See account 412, Revenuc; from Gas Plant Leased to Others.)

494 Interdepartmental rents.

This account shall include credits for rental charges made against other departments of the utility. In the case of property operated under a definite arrangement to allocate actual costs among the departments using the property, any allowance to the gas department for interest or return and depreciation and taxes shall be credited to this account.

495 Other gas revenues.

This account shall include revenues derived from gas operations not includible in any of the foregoing accounts.

ITEMS

- 1. Commission on sale or distribution of gas of others when sold under rates filed by such others.
- 2. Compensation for minor or incidental services provided for others such as customer billing, engineering, etc.
- 3. Profit or loss on sale of material and supplies not ordinarily purchased for resale and not handled through merchandising and jobbing accounts.
- 4. Sales of steam, water, or electricity, including sales or transfers to other departments of the utility.
 - 5. Service charges for storing gas of others.
 - 6. Miscellaneous royalties received.
- 7. Revenues from dehydration and other processing of gas of others, except compression of gas of others, revenues from which are includible in account 489, Revenues from Transportation of Gas of Others.

Operation and Maintenance Expense Accounts -

1. MANUFACTURED GAS PRODUCTION

- 700 Supervision and labor.
- 701 Fuel and raw materials.
- 703 Operation supplies and expenses.
- 706 Repairs of manufactured gas production plant.

2. NATURAL GAS PRODUCTION AND GATHERING

- Supervision and labor.
- 713 Operation supplies and expenses.
- 714 Gas well royalties.
- 720 Delay rentals.
- 721 Nonproductive well drilling.
- Abandoned leases. 722
- Other exploration. 723
- 725 Repairs of production and gathering plant.

3. PURCHASED GAS

730 Purchased gas.

4. TRANSMISSION AND DISTRIBUTION

- Supervision and labor. 760
- Operation supplies and expenses. 761
- Repairs of transmission and distribu-762 tion plant.
- 765 Transportation expenses.

5. GENERAL EXPENSE

- 770 Administrative and general salaries.
- 771 Office supplies and expenses.
- Outside services employed. 772
- Insurance expense. 773
- Employees pensions and benefits. 775
- Regulatory commission expenses. 776
- 777 Miscellaneous general expenses.
- 778 Uncollectible accounts.
- Revenues from merchandising, jobbing, 780 and contract work.
- 781 Costs and expenses of merchandising, jobbing, and contract work.

Operation and Maintenance Expense Accounts

1. MANUFACTURED GAS PRODUCTION

Supervision and labor.

This account shall include the cost of supervision and labor in the operation and maintenance of manufactured gas production plants including miscellaneous labor such as care of grounds, building service, etc.

- 1. Operating and attending gas making equipment and auxiliaries.
- 2. Cleaning, lubricating and oiling gas making equipment and auxiliaries.
- 3. Unloading and other handling of coal or other fuel, residuals, waste materials, etc.
- 4. Keeping plant logs, and other records and preparing reports on plant operations.

701 Fuel and raw materials.

A. This account shall include the cost delivered at works, including freight, switching, etc., of coal, oil, liquefied petroleum gas, enriching materials, and any other fuel and raw materials used in the manufacture of gas. This account also shall include the net cost of, or amount realized from, the disposal of

B. Records shall be kept to show the quantity and cost of each type of fuel and raw material used.

Operation supplies and expenses.

This account shall include the cost of supplies used and expenses incurred in connection with the operation of manufactured gas production plant.

- 1. Lubricants.
- 2. Packing.
- 3. Power or steam purchased.
- 4. Purification supplies.
- 5. Tools, hand.
- 6. Water purchased.
- 7. Waste.
- 8. Rents.

706 Repairs of manufactured gas production plant.

This account shall include the cost of repair parts and materials, and amounts of bills from others for repairs made to steam production plant. It shall not, however, include the cost of labor of the utility's own plant operating force.

- 1. Contract work for repairs and for rearrangement or relocation of plant not retired.
- 2. Repair parts and materials for repairs of manufactured gas production plant.

2. NATURAL GAS PRODUCTION AND GATHERING

710 Supervision and labor.

This account shall include the cost of supervision and labor in the operation and maintenance of gas wells, field lines, compressors, measuring and regulating equipment, drilling and cleaning equipment, and other plant of the natural gas production and gathering system.

TTEMS

- 1. Turning on and shutting off gas wells, bailing, swabbing, blowing gas wells, etc.
- 2. Patrolling field lines, attending and lubricating valves and other equipment, blowing and cleaning drips, taking line pressures, etc.
 - 3. Operating field booster stations.
- 4. Attending measuring and regulating stations, recording pressures, changing charts, adjusting equipment, inspecting and pumping drips, etc.
- 5. Attending and servicing purification apparatus.
- 6. Moving equipment, minor structures,
- etc. not in connection with construction.
 7. Cutting grass and weeds on rights-ofway or around equipment, etc.
 - 8. Cleaning and repairing tools.
- 9. Building and repairing gate boxes, foot bridges, stiles, etc.

Operation supplies and expenses.

This account shall include the cost of supplies used and expenses incurred in the operation and maintenance of natural gas production and gathering plant.

TTEMS

- 1. Fuel.
- 2. Lubricants.
- 3. Meter charts and supplies.
- Odorizing material.
- 5. Oil for oil fogging.
- 6. Power.
- 7. Pressure charts and supplies.
- 8. Purification supplies.
- 9. Tools, hand.
- 10. Transportation.
- 11. Waste. 12. Scrubber oil.
- 13. Well swabs.
- 14. Geological and gas reserve services by others than employees in connection with gas production.

Gas well royalties.

- A. This account shall include royalties or other amounts paid for natural gas produced by the utility from wells on land owned by others.
- B. Records supporting the entries to this account shall be so kept that the utility can furnish the name of the parties to each contract involving royalties. the terms of each contract, the location of the property involved, the method of determining the royalties, and the amounts payable.

Delay rentals.

- A. This account shall be charged with the amount of rents paid periodically on natural gas lands in order to hold natural gas land and land rights for the purpose of obtaining a supply of gas in the future.
- B. Include, also, in this account the cost of obtaining natural gas leases for a period of one year or less.
- C. Records supporting this account shall be so kept that the utility can furnish complete details of the charges made for each natural gas leasehold. (See note to paragraph D of gas plant instruction 3.)

Nonproductive well drilling.

This account shall include the net cost of drilling wells which prove to be nonproductive.

Note: Records in support of the charges to this account shall conform, as appropriate, to note of general instruction 5, Gas Well Records.

722 Abandoned leases.

This account shall be charged with losses on abandonment of natural gas leases included in account 394, Gas Plant Held for Future Use, which have never been productive, unless otherwise authorized or directed by the Commission.

723 Other exploration.

This account shall be charged with the cost of abandoned projects on which preliminary expenditures were made for the purpose of determining the feasibility of acquiring acreage to provide a future supply of natural gas. (See account 183, Other Deferred Debits.)

725 Repairs of production and gathering plant.

This account shall include the cost of repair parts and materials and amounts of bills from others for repairs to natural gas production and gathering plant, including payments to others for repairs of well equipment and conditioning and cleaning of wells. It shall not, however, include the cost of labor of the utility's own plant operating force.

ITEMS

- 1. Contract work for cleaning and conditioning wells, repairing well equipment and rearranging, relocating, and repairing field lines, measuring and regulating equipment and other plant not retired.
- 2. Repair parts and materials for repairs of natural gas production and gathering plant.

3. PURCHASED GAS

730 Purchased gas.

- A. This account shall include the cost at point of receipt by the utility of gas purchased for resale.
- B. The records supporting this account shall be so maintained that there shall be readily available for each vendor and each point of receipt, the quantity of gas, basis of charges, and the amount paid for the gas.

Note: If any gas is used as fuel or raw materials in a manufactured gas process, the cost of such gas shall first be charged to this account and a separate entry made crediting this account and charging account 701, Fuel and Raw Materials, with the cost of the gas so used.

4. Transmission and Distribution Expenses

760 Supervision and labor.

This account shall include the cost of supervision and labor in the operation and maintenance of the transmission and distribution system including work on customers' premises.

ITEMS

- Supervising and directing the operation and maintenance of transmission and distribution facilities.
- 2. Operating and servicing compressor station equipment.
- 3. Patrolling lines, cleaning debris, cutting grass and weeds, changing charts, taking pressures, attending and servicing regulating and measuring equipment, storage facilities, etc.
 - 4. Cleaning and repairing tools.
- 5. Blowing and cleaning lines and drips, draining water from lines, taking line pressures, changing charts, attending and lubri-

cating valves, locating and inspecting valve boxes, service lines, mains, etc.

- 6. Keeping logs and records.
- 7. Distribution office clerical and stenographic services.
- 8. Cutting and replacing pavement and sidewalks in connection with repairs.
- 9. Repairing materials for reuse.
- 10. Labor on customers' premises for inspecting, testing, repairing, removing and resetting or changing the location of meters or house regulators and necessary equipment on customers' premises, investigating service complaints, adjustments in connection with change in Btu content of gas, pressure, and other work on customers' premises.

NOTE: The cost of the first installation at a location of a meter or a house regulator shall not be charged to this account but to gas plant account 335, Meters, or 337, House Regulators.

761 Operation supplies and expenses.

This account shall include the cost of supplies used and expenses incurred in the operation and maintenance of transmission and distribution plant.

ITEMS

- 1. Transmission and compression of gas by others.
- Consultants' fees and expenses for transmission and distribution operations.
 - 3. Scrubber oil.
 - 4. Charts and printed forms.
- 5. Lubricants, wiping rags, etc.
- 6. Small hand tools.
- 7. Compressor station fuel and power.
- 8. Meter locks and seals.
- 9. Rents.

762 Repairs of transmission and distribution plant.

This account shall include the cost of repair parts and materials and amounts of bills from others for repairs made to transmission and distribution plant. It shall not, however, include the cost of labor of the utility's own plant operating forces.

ITEMS

- Contract work for repairs and for rearrangement or relocation of plant not retired.
- 2. Repair parts and materials for repairs of transmission and distribution plant.

765 Transportation expenses.

- A. This account shall include the cost of labor, materials used and expenses incurred in the operation and maintenance of general transportation equipment of the utility.
- B. This account may be used as a clearing account in which event the charges hereto shall be cleared by apportionment to the appropriate operating expense, utility plant, or other accounts on a basis which will distribute the expenses equitably. Credits to this account shall be made in such detail as to permit ready analysis.

ITEMS

- Depreciation of transportation equipment.
- 2. Insurance on transportation equipment.
- 3. License fees for vehicles and drivers.
 4. Rents for equipment and garages.
- 5. Repairs of transportation equipment.
- 6. Supplies, such as gas, oil, tires, tubes, grease, etc.

Note: Transportation expenses applicable to construction shall not be included in operating expenses.

5. GENERAL EXPENSES

770 Administrative and general salaries.

This account shall include the cost of supervision and labor incurred in administrative, customer accounts, and sales activities.

ITEMS

- 1. Accounting and clerical work on customers' accounts and on general records.
 - 2. Meter reading.
 - 3. Solicitation of business.
 - Stenographic work.
 - 5. Supervision and administration.

771 Office supplies and expenses.

This account shall include office supplies and expenses incurred in connection with customer accounts, sales and general administration of the utility's operations,

ITEMS

- 1. Address plates and supplies.
- 2. Automobile service, including charges through clearing account.
- 3. Bank messenger and service charges.
- 4. Books, periodicals, bulletins and subscriptions to newspapers, newsletters, tax services, etc.
- 5. Building service expenses for customer accounts, sales, and administrative and general purposes.
- 6. Commissions or fees to others for collecting revenues.
 - 7. Communication service expenses.
- 8. Cost of individual items of office equipment used by general departments which are of small value or short life.
- 9. Meals, traveling and incidental expenses.
- 10. Membership fees and dues in trade, technical, and professional associations paid by utility for employees. (Company memberships are includible in account 777.)
 - 11. Meter books and binders.
 - 12. Office supplies and expenses.
- 13. Payment of court costs, witness fees, and other expenses of legal department.
- 14. Postage, printing and stationery.
- 15. Rent of office equipment.16. Repairs of office equipment.

772 Outside services employed.

- A. This account shall include the fees and expenses of professional consultants and others for general services which are not applicable to a particular operation function nor to other accounts. It shall include, also, the pay and expenses of persons engaged for a special or temporary administrative or general purpose in circumstances where the person so engaged is not considered an employee of the utility.
- B. This account shall be so maintained as to permit ready summarization according to the nature of service and the person furnishing the same.

ITEMS

- 1. Fees, pay and expenses of accountants and auditors, actuaries, appraisers, attorneys, engineering consultants, management consultants, negotiators, public relations counsel, tax consultants, etc.
- sel, tax consultants, etc.

 2. Supervision fees and expenses paid under contracts for general management services.

Note: Do not include inspection and brokerage fees and commissions chargeable to other accounts or fees and expenses in connection with security issues which are includible in the expenses of issuing securities.

PROPOSED RULE MAKING

773 Insurance expense.

A. This account shall include the cost of insurance or reserve accruals (1) to protect the utility against losses and damages to owned or leased property used in its utility operations, and (2) to protect the utility against injuries and damages claims of employees or others, losses of such character not covered by insurance and expenses incurred in settlement of injuries and damages claims.

B. Recoveries from insurance companies or others for property damages shall be credited to the account charged with the cost of the damage. If the damaged property has been retired, the credit shall be to the appropriate account for accumulated provision for depreciation.

C. Reimbursements from insurance companies or others for expenses charged hereto on account of injuries and damages and insurance dividends or refunds shall be credited to this account.

775 Employee pensions and benefits.

A. This account shall include pensions paid to or on behalf of retired employees, or accruals to provide for pensions, or payments for the purchase of annuities for this purpose, when the utility has definitely, by contract committed itself to a pension plan under which the pension funds are irrevocably devoted to pension purposes, and payment for employee accident, sickness, hospital, and death benefits, or insurance therefor. Include, also, expenses incurred in medical, educational or recreational activities for the benefit of employees.

B. The utility shall maintain a complete record of accruals or payments for pensions and be prepared to furnish full information to the Commission of the plan under which it has created or proposes to create a pension fund and a copy of the declaration of trust or resolution under which the pension plan is established.

C. There shall be credited to this account the portion of pensions and benefits expenses which is applicable to non-utility operations or which is charged to construction unless such amounts are distributed directly to the accounts involved and are not included herein in the first instance.

776 Regulatory commission expenses.

A. This account shall include all expenses (except pay of regular employees only incidentally engaged in such work) properly includible in utility operating expenses, incurred by the utility in connection with formal cases before regulatory commissions, or other regulatory bodies, or cases in which such a body is a party, including payments made to a regulatory commission for fees assessed against the utility for pay and expenses of such commission, its officers, agents, and employees.

B. Amounts of regulatory commission expense which by approval or direction of the Commission are to be spread over future periods shall be charged to account 183, Other Deferred Debits, and amortized by charges to this account.

C. The utility shall be prepared to show the cost of each formal case.

777 Miscellaneous general expenses.

This account shall include the cost of expenses incurred in connection with the general management of the utility not provided for elsewhere.

Trems

- 1. Association dues for company member-ships.
- 2. Contributions for conventions and meetings of the industry.
- 3. Experimental and general research work for the industry.
- 4. Communication service not chargeable to other accounts.
- 5. Trustee, registrar, and transfer agent fees and expenses.
- 6. Stockholders meeting expenses.
- 7. Dividend and other financial notices.
- 8. Printing and mailing dividend checks.

- 9. Directors' fees and expenses.
- 10. Publishing and distributing annual reports to stockholders.
- 11. Institutional or goodwill advertising.12. Public notices of financial, operating,
- 12. Public notices of financial, operating, and other data required by regulatory statutes, not including, however, notices required in connection with security issues or acquisitions of property.

 13. Rent for property used in customers'
- 13. Rent for property used in customers' accounts, sales or administrative and general

778 Uncollectible accounts.

This account shall be charged with amounts sufficient to provide for losses from uncollectible utility revenues. Concurrent credits shall be made to account 144, Accumulated Provision for Uncollectible Accounts—Cr. Losses from uncollectible accounts shall be charged to account 144.

780 Revenues from merchandising, jobbing and contract work.

781 Costs and expenses of merchandising, jobbing, and contract work.

These accounts shall include all revenues derived from the sale of merchandise and jobbing or contract work, including any profit or commission accruing to the utility on jobbing work performed by it as agent under contracts whereby it does jobbing work for another for a stipulated profit or commission and all expenses incurred in such activities.

Note A: The revenues and expenses of merchandising, jobbing and contract work shall be reported in this account if a state regulatory body having jurisdiction over the utility requires the net income therefrom to be reported as an operating expense item; but the amounts shall be reported in accounts 415 and 416 if such regulatory body requires such income to be reported as nonoperating income. In the absence of a requirement by a state regulatory body, the utility may use this account or accounts 415 and 416, at its option, in which case the practice of the utility must be consistent.

NOTE B: See accounts 415 and 416 for list of items includible herein.

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